

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING**

August 16, 2007

9:00 a.m.

**1002 N. School Street, Bldg. E
Honolulu, Hawaii 96817**

AGENDA

I. CALL TO ORDER / ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting July 18, 2007
- B. Executive Session Meeting, December 21, 2006
- C. Executive Session Meeting, February 15, 2007
- D. Executive Session Meeting, March 26, 2007
- E. Executive Session Meeting, April 10, 2007
- F. Executive Session Meeting, May 11, 2007
- G. Executive Session Meeting June 21, 2007
- H. Executive Session Meeting July 18, 2007

III. REPORTS

- A. Report of the Executive Director Program/Project Updates.
- B. Report of Task Force Committees.
 - Finance / Audit – T. Thompson, E. Beaver & L. Smith
 - Human Resources / Personnel – H. Oliva, C. Ignacio & M. Yoshioka
 - Homelessness – K. Park, C. Ignacio & A. Beck
 - Public Housing Operations – M. Yoshioka, C. Hosino & C. Ignacio
 - Asset Management – L. Smith, E. Beaver & T. Thompson
 - Tenant / Tenant Relations – C. Hosino, A. Beck & K. Park

IV. DISCUSSION AND/OR DECISION MAKING

- A. Decision Making: Approval of Resolution No. 09 Approving the Section 8 Management Assessment Program (SEMAP) Certification for Fiscal Year Ending June 30, 2007.
- B. Decision Making: Approval of Resolution No. 10 Approving the Public Housing Assessment System (PHAS) Management Operations Certification for the Fiscal Year Ending June 30, 2007.
- C. Decision Making: Adoption of Hawaii Public Housing Authority's Statement of Procurement Policy.
- D. Decision Making: Reappointment of Ms. Ludvina Takahashi, and Mr. Gary Mackler to the Kauai Eviction Board for a Two-Year Term Expiring on August 31, 2009.

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AGENDA Continued

V. EXECUTIVE SESSION

The Board of Directors of the Hawaii Public Housing Authority anticipates convening in executive session, pursuant to 92-5(a)(2) and 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to personnel matters and the Board's powers, duties, privileges, immunities, and/or liabilities regarding the following topics:

1. Hawaii Public Housing Authority's Budget.
2. Search to fill Project Management Chief Position.

VI. TRAINING

Board Training Provided by MDStrum Housing Services, Inc.

- Asset Management for Public Housing Authority (PHA) Requirements at 24 CFR 990.
- Procurement.

VII. ADJOURNMENT

If any person requires special needs (i.e. large print, taped materials, sign language interpreter, etc.), please call the Secretary to the Board at (808) 832-3818 by close of business two days prior to meeting date.

HAWAII PUBLIC HOUSING AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON WEDNESDAY, JULY 18, 2007,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Wednesday, July 18, 2007 at 9:45 a.m.

The meeting was called to order by Chairperson Travis Thompson and, on roll call, those present and absent were as follows:

CALL TO
ORDER/
ROLL CALL

PRESENT: Director Travis O. Thompson, Chairman
Director Anne Marie Beck
Director Clarissa Hosino
Director Carol Ignacio
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Designee Henry Oliva

Executive Director Chad Taniguchi
Deputy Attorney General, Diane K. Taira

EXCUSED: Director Eric Beaver

STAFF PRESENT: Barbara Arashiro, Procurement Officer
Shirley Befitel, Special Assistant, Personnel
Joanna Chaves, Public Housing Supervisor
Dexter Ching, Section 8 Subsidy Programs Branch Chief
Jean Daguio, Accountant
Derek Fujikami, Building Engineer
Lili Funakoshi, Hearings Officer
Michael Hee, Contract Administration Section Chief
Charles Itliong, Chief Accountant
Clifford Laboy, Program Specialist
Patti Miyamoto, Acting Property Management &
Maintenance Branch Chief
Edmund Morimoto, Construction Mgmt. Section Chief
Gary Nakatsu, Data Processing System Analyst
Dionicia Piiohia, Secretary to Board
Lili Funakoshi, Hearings Officer
Michael Hee, Contracts Administration Section Chief
Dionicia Piiohia, Clerk Typist/OED

OTHERS: Aileen Befitel, Governor's Office
Michael Flores, U.S. Dept. of Hsg. & Urban Dev. (HUD)
Larry Jones, MDStrum Housing Services, Inc.
Juan Patterson, MDStrum Housing Services, Inc.
William Sabalbuero, HUD
Mei Tong, HUD

Chairperson Travis Thompson declared a quorum present.

QUORUM

Director Smith moved, seconded by Designee Oliva,

That the minutes of the Regular Meeting held on
June 21, 2007 be approved as circulated.

APPROVAL
OF MINUTES
REGULAR
MEETING
6/21/07

HAWAII PUBLIC HOUSING AUTHORITY

There being no further discussion,

The motion was unanimously carried.

Director Smith moved, seconded by Director Yoshioka,

That Director Travis Thompson be nominated as Chairperson.

The motion was unanimously carried.

ELECTION OF
BOARD
OFFICERS
CHAIRPERSON

Director Smith moved, seconded by Director Yoshioka,

That Director Eric Beaver be nominated as Vice-Chairperson.

The motion was unanimously carried.

ELECTION
OF VICE-
CHAIRPERSON

Director Smith moved, seconded by Designee Oliva,

That Director Matilda Yoshioka be nominated as Secretary

The motion was unanimously carried.

ELECTION OF
SECRETARY

Director Hosino moved, seconded by Designee Oliva,

That the Board approve Resolution No. 8 expressing
appreciation to Ms. Pamela Y. Dodson.

The motion was unanimously carried.

RESOLUTION
NO. 8
EXPRESSING
APPRECIATION TO
MS. PAMELA
Y. DODSON

HAWAII PUBLIC HOUSING AUTHORITY

Director Smith moved, seconded by Designee Oliva,

That the Board approve the reappointment of Mr. James E. Demello, Mr. Robert Palea, Ms. Eleanor Garcia and Ms. Juliette Tulang to the Hilo Eviction Board for a two-year term expiring on July 31, 2009.

Director Taniguchi commented that the Evictions Boards are necessary and the appointees are qualified.

Director Smith asked if the tenants support these individual members to the eviction board. Ms. Lili Funakoshi, Hearings Officer, stated yes, and that these members are reappointments to the eviction board.

The motion was unanimously carried.

Director Park moved, seconded by Designee Oliva,

That the Board approve the reappointment of Ms. Radiant Chase, Mr. Earl Mente, Ms. Joyce R. Nakamura, Ms. Jane Moana Gray, Ms. Sylvianne Young, Mr. Solomon Kuresa, Jr. and Mr. Wayne Fujikane to the Oahu Eviction Board for a two-year term expiring on July 31, 2009.

Director Smith stated that Ms. Chase is not identified as an additional two-year term and asked for clarification. Ms. Funakoshi clarified that it is an additional two-year term.

Chairperson Thompson commented that he appreciates these individuals who are willing to serve in this important function of the HPHA.

The motion was unanimously carried.

Director Yoshioka moved, seconded by Designee Oliva,

That the Board approve the reappointment of Ms. Hannah M. Wilson, Mr. Wayne Gocke and Mr. Ross Oue to the Kona Eviction Board for a two-year term expiring on July 31, 2009.

Ms. Funakoshi commented that these board members are willing to serve and that they are an important part of the eviction process. Some members are backups for the other outer island board.

The motion was unanimously carried.

Mr. Taniguchi commented that the Hearings office will be handling more evictions in the future and that the project managers will be consistently monitoring tenants who are delinquent in their rents and who are not in complying with the rules. These tenants will be forwarded to the Hearings office for eviction.

REAPPOINTMENT OF MR. JAMES E. DEMELLO, MR. ROBERT PALEA MS. ELEANOR GARCIA AND MS. JULIETTE TULANG TO THE HILO EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JULY 31, 2009

REAPPOINTMENT OF MS. RADIANT CHASE, MR. EARL MENTE, MS. JOYCE R. NAKAMURA, MS. JANE MOANA GRAY, MS. SYLVIANNE YOUNG, MR. SOLOMON KURESA, JR. AND MR. WAYNE FUJIKANE TO THE OAHU EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JULY 31, 2009

REAPPOINTMENT OF MS. HANNAH M. WILSON, MR. WAYNE GOCKE AND MR. ROSS OUE TO THE KONA EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JULY 31, 2009

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Designee Oliva moved, seconded by Director Smith,

That the Board approves the revision to Chapter 8 of the Section 8 Housing Choice Voucher (HCV) Program Administrative Plan.

Mr. Dexter Ching, Section 8 Subsidy Programs Branch Chief, reported that the Section 8 Program is requesting to amend the Administrative Plan which currently does not address situations when no comparable units can be found within the immediate district and/or zip code area. The policy was established with a letter dated September 11, 2002 from the U.S. Department of Housing and Urban Development (HUD). This letter will be incorporated into the Section 8 Administrative Plan.

The motion was unanimously carried.

Mr. Taniguchi presented the Hawaii Administrative Rule (HAR) §17-2028-22 Eligibility for Admission and Participation (a)(1)(F). The rule explains the applicant's eligibility for participation in the program. The applicant shall not have been evicted since March 1, 1985 from a public housing program administered by the corporation or its predecessor. This issue was brought up at the June 5, 2007 public hearing for amendments to the administrative plan. An individual felt that a five year ban would be more appropriate. The Legal Aid Society suggested changing the rule to a more reasonable prohibition. Staff has been in contact with the Deputy Attorney General and the Legal Aid Society.

Director Becker asked if there are any other reasons why someone could not return to public housing. Ms. Joanna Chaves, Public Housing Supervisor, explained drug and other felony convictions ban residents. Tenants are given chances to cure their problems before eviction. If tenants move out before eviction and improve themselves, they can reapply for public housing. The staff unanimously supported the current eligibility rule as being effective to encourage the proper behavior by tenants.

The Chairperson called for a motion to go into Executive Session to consider current assets.

Designee Oliva moved, seconded by Director Yoshioka,

That the Board meets in Executive Session at 10:10 a.m.

The motion was unanimously carried.

* * * * *

The Board moved out of Executive Session and the Chairperson called the meeting back to order at 10:12 a.m.

Mr. Taniguchi referred to an addendum to the Executive Director's Report. He introduced Aileen Befitel, Governors office who is working with Mr. Derek Fujikami, Building Engineer, on a daily basis regarding the elevators. Of the nine nonworking elevators, three have been fixed, four will be fixed next month, and two at Kuhio Park Terrace (KPT) are scheduled for complete modernization. Twenty-eight (28) elevators are scheduled for major modernization and 7 for minor modernization.

Chairperson Thompson stated that the two major high rises at KPT are at one-third capacity and encouraged completing repairs sooner.

Director Smith stated that \$15 million was projected for elevator repairs, but HPHA received \$5 million from the Legislature. Mr. Taniguchi stated that based on the

APPROVAL OF THE REVISION TO CHAPTER 8 OF THE SECTION 8 HOUSING CHOICE VOUCHER (HCV) PROGRAM ADMINISTRATIVE PLAN

HAWAII ADMINISTRATIVE RULES §17-2028-22 ELIGIBILITY FOR ADMISSION AND PARTICIPATION (a)(1)(F)

EXECUTIVE SESSION

RECONVENED

REPORT OF THE EXECUTIVE DIRECTOR PROGRAM/PROJECT UPDATES

ELEVATORS

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elevator consultant's recent assessment HPHA needs a total of \$10 million. Of the separate \$20 million Capital Improvement Program (CIP), \$5 million is being designated for elevator modernization. Director Smith requested a summary of what CIP projects will not be funded if \$5 million of the \$20 million in CIP funds are used for elevators.

Mr. Taniguchi briefly reviewed the projects and estimated costs for repair and maintenance and CIP projects. Chairperson Thompson thanked the staff for the more readable version.

CONSTRUCTION AND REPAIR PROJECTS

Chairperson Thompson asked how this plan would be managed and if there were enough resources. Mr. Taniguchi stated that several more people need to be hired, but the projects can be done with the Construction Management Section (CMS) combined into one unit with Mr. Fujikami as the lead person. Mr. Edmund Morimoto is heading the planning function. Chairperson Thompson has concern that these projects are critical and suggested getting help internally or externally if needed.

Ms. Aileen Befitel, Governor's office commented that the elevators need to be well maintained. Director Smith thanked Ms. Befitel for her help in working with the staff.

Mr. Taniguchi stated that fixing vacant units is the HPHA's priority and reported that the total 588 vacant units are to be fixed and for modernization.

Chairman Thompson stated that the 346 vacant units and the 242 modernization units should be kept separate for progress tracking.

Chairman Thompson stated that the original number of 415 units was the baseline to measure the progress of repairing units and should be first focused on, and then focus on the modernizations and the Lanakila project.

Mr. Taniguchi reported that the HUD Chicago office sent a letter to see if public housing is needed anymore at Kalihi Valley Homes (KVH), or if public housing stock that has remained unoccupied for a long period of time should be converted from public housing to some other use. The Chicago HUD office wants to know why some KVH units were not demolished.

RESPONSE TO HUD REGARDING KALIHI VALLEY HOMES

Mr. Michael Hee, Contracts Administration Section Chief, commented that the KVH units slated for demolition were used to relocate tenants while their units were being renovated. While HUD sees any long-term vacant units as candidates for conversion, HPHA is gathering documents to justify the vacancy in light of a change in community opinion to preserve units rather than demolish them for open space.

Director Yoshioka asked what happened to the request to HUD to take KVH off the demolition list. Mr. Hee stated that the approval is in process. Mr. Taniguchi will ask the HUD Honolulu office to contact the Chicago HUD office to inform them of the change in local community opinion.

The Chairperson stated that HPHA's basic mission is to provide housing and explain to HUD that we are carrying out our mission because we need housing.

Mr. Taniguchi reported that HPHA will start incorporating the new administrative rules, (the one choice instead of three for new residents) with notices to be mailed to see who is still on the waiting list. The management units (MU) will coordinate with hearings to evict tenants for non payment of rents and not following rules. Mr. Taniguchi added that 22 candidates applied for the Property Management and Maintenance Section Branch Chief.

ADMINISTRATIVE RULES

Mr. Taniguchi asked if there were any suggestions on community organizing to upkeep their projects. Chairperson Thompson suggested awarding or presenting the tenants or staff with a certificate of commendation for what they accomplish on their project. Director Hosino added that awards could be given for volunteering their

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time and service and that the Resident Associations would appreciate it too.

Chairperson Thompson stated that for time management, the Board did not have time to review the addendum to the Executive Director's Report but has questions on the original report that they received.

Chairperson Thompson stated that the Executive Director's Report will continue after the Training and declared a recess at 11:42 a.m. At this time, Director Smith left the meeting. The Chairperson called the meeting back to order at 11:59 p.m.

RECESS

RECONVENED

Mr. Juan Patterson of MDStrum Housing Services, Inc., introduced Mr. Michael Flores of HUD who introduced his staff, Mei Tong and William Sabalburo. Mr. Flores shared information on a conference on Public Housing Administration Reform Initiatives that focused on issues under the public housing program. Mr. Flores stated that the administrative reform on how to implement the upcoming asset management (AM) and operations under the present system were discussed, and that many agreed with the implementation. He added that Mr. Patterson will explain about the funding available for the public housing authorities and Ms. Tong will cover funding for HPHA.

BOARD
TRAINING
PROVIDED BY
MDSTRUM
HOUSING
SERVICES, INC.

Mr. Flores commended Mr. Taniguchi for the summary of the HPHA presented at the legislative hearing on July 16, 2007. Mr. Taniguchi's willingness to accept the responsibilities and to work with anyone willing to provide assistance is commendable. Deputy Attorney General Diane Taira added that Mr. Taniguchi's speech was important and professional and that many tenants acknowledged Mr. Taniguchi and his efforts for visiting the projects. Mr. Larry Jones of MDStrum Housing Services, Inc., agreed because he visited the projects and staff with Mr. Taniguchi and has seen their responses.

Mr. Patterson presented the training for the PHA to adopt the AM program. He explained what AM will consists of the objectives, HUD's requirement, the Board's fiduciary responsibility, HUD's requirement for conversion to AM, what cost centers mean, property and project groupings, various funding, project based budgeting, accounting and operations, supporting cost centers, organization issues, financial management, information technology systems, performance monitoring and evaluation systems, review of project performance, risk management-compliance, AM decisions and implementation schedule.

Chairperson Thompson stated that HPHA needs to keep track of state funds and federal funds so the tasks involved are doubled, with more complexity and less pay than other state agencies. Also, HPHA does not have sufficient resources and has been trying for two to three years to catch up. He is meeting with the Governor to discuss the problems the agency is encountering.

Mr. Patterson stated the general ledger needs to get done for the last fiscal year by putting people in place that can do the budgeting and accounting. He added that the HPHA needs to submit the financial data schedule by August 30, 2008 under the financial assessment sub system and is required to submit the overall financial statement along with AM project statements to HUD. Ms. Tong clarified that the July 2007 to June 2008 is a trial period.

Chairperson Thompson thanked Mr. Patterson for the training and stated that HPHA is making progress with the housing mission and trying to comply with AM.

The Chairperson declared a recess at 1:52 p.m. Director Smith arrived at this time. The meeting reconvened at 2:07 p.m.

RECESS

RECONVENED

Chairperson Thompson commented that based on the AM presentation, he asked Mr. Taniguchi for a cost analysis of the project cash flow for the Board to present to the Governor.

HAWAII PUBLIC HOUSING AUTHORITY

Director Smith stated that the budget is submitted the first week of December, and request for supplemental budget is in September. She suggested the emergency and supplemental funds be done as soon as possible.

Director Hosino asked what the status is on the private management contracts. Mr. Taniguchi will send the information to the Board.

Mr. Taniguchi would like to have the various section staff introduce themselves to the Board of Directors at the coming Board meeting. The CMS staff were introduced to the Board.

Chairperson Thompson asked what the progress is on the general ledger (GL). Mr. Taniguchi stated that the deadline to HUD is August 30, 2007 and if we don't meet that date, after every 15 days we lose one point up to four points. Mr. Taniguchi feels that HPHA will meet the deadline. He then introduced Mr. Charles Itliong, Chief Accountant and Jean Daguio, Accountant.

Director Smith asked how we are addressing the GL account. Mr. Itliong stated that they have been transferring the old system into the new system and have found 20 to 30 items per month that do not match and are being researched.

Chairperson Thompson asked that the new 2007 Budget Utilization chart in the Section 8 Subsidy Programs Branch, Exhibit A, be better explained. Mr. Taniguchi agreed to make future reports more reader friendly.

Director Smith commented that a letter from HUD regarding the homeless program Emergency Shelter Grant program found some discrepancies. Ms. Barbara Arashiro, Procurement Officer stated that a response letter will be sent out today. HUD had concerns on the contract for Kauai Economic Opportunity, Inc. so the contract was amended and it will be executed.

Chairman Thompson commented on the vacant positions, there were 39 no actions and approximately 31 have position descriptions being reviewed and he would like to know why HPHA is reviewing the position descriptions for a Clerk Typist. Mr. Taniguchi will respond.

Director Yoshioka asked how often eviction hearings are done. Mr. Taniguchi stated that Oahu holds them twice a month and the outer islands one time a month.

Chairman Thompson asked when the agency does write offs. Mr. Michael Hee, Contract Administration Section Chief, stated that write offs are handled at the management level. Once the tenant vacates, a final bill is sent to them and they need to respond in so many days and if no response, they are sent to various collection agencies. The results go back to the management section to be reviewed, then to the Attorney General's office for permission to write off. Mr. Hee stated that the MUs are working on the write offs.

Chairman Thompson asked why the appliances brought through the bulk contract cost so much. Ms. Arashiro stated that it depends on each unit size, but they come with the energy star rating. HPHA bid the appliances out. HPHA will do a cost analysis to determine value of one bulk contract.

Director Smith commented that the Public Housing Assessment System (PHAS) totals are by MUs and asked if there is a grand total for the emergency work orders within 24 hours. Chairman Thompson asked how HUD measures the agency, by total or units. Mr. Taniguchi stated that staff will get back to the Board with the totals.

Director Smith commented that the Real Estate Assessment Center (REAC) physical inspection follow-up received a passing score of 71.

Director Becker asked if the \$668,493.00 is for the renovations of bathroom

CONTINUA-
TION OF THE
REPORT
OF THE
EXECUTIVE
DIRECTOR
PROGRAM/
PROJECT
UPDATES

HAWAII PUBLIC HOUSING AUTHORITY

facilities for the Waipahu bath house showers for the homeless in Waipahu. Ms. Arashiro said yes.

Mr. Taniguchi stated that he just received an emergency call regarding the Waipahu bath-house. It appears the money was not encumbered in time. He will take necessary action.

Director Hosino asked about crime and safety. Mr. Taniguchi stated the Mr. Cliff Laboy, Program Specialist, has done a lot of networking and is working with the police, residents at the projects, and has reactivated the resident patrols. He is exploring the zero tolerance policy for tenants and smaller fines for rules violation.

Chairman Thompson asked if these drafts were provided to the Legislature. Mr. Taniguchi said yes. Chairman Thompson commended Mr. Laboy for doing good work on the documents.

Director Smith asked Mr. Laboy if he had any observations or comments regarding reducing crime and improving safety. Mr. Laboy stated that many things need to be done simultaneously in trying to solve the problems. Some residents feel that they went through some plans before and nothing was done. The Chairman asked if there a plan to show what we are doing and how we measure our progress. Mr. Laboy stated that he researched the crime statistics at the HPHA projects and is working with the Honolulu Police Department, with the State Sheriff, and will now go to the residents and inform them of the plan.

Chairman Thompson asked if there were any reports from the Task force Committees.

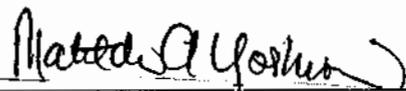
Director Hosino commented that the group has not met and that she has attended meetings at the MUs with Mr. Taniguchi and staff. She is pleased the way the meetings are conducted and the changes being made.

There being no further items to be discussed, Chairperson Thompson entertained a motion to adjourn.

Director Park moved, seconded by Director Yoshioka,

That the meeting be adjourned at 3:22 p.m.

The motion was unanimously carried.


MATILDA YOSHIOKA

Approved: AUG 16 2007

REPORT OF
TASK FORCE
COMMITTEES

ADJOURNMENT

RESOLUTION NO. 08

EXPRESSING APPRECIATION TO MS. PAMELA Y. DODSON

WHEREAS, Ms. Pamela Dodson was appointed as the Executive Assistant for the Housing and Community Development Corporation of Hawaii (predecessor to the Hawaii Public Housing Authority) on December 3, 2003; and

WHEREAS, Ms. Dodson continued to serve as the Executive Assistant for the Hawaii Public Housing Authority (HPHA) from its inception on July 1, 2006 until July 9, 2007; and

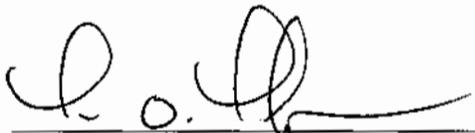
WHEREAS, in addition to serving as the Executive Director's trusted "right-hand woman", Ms. Dodson oversaw the Property Management and Maintenance Branch with over 6,400 public housing and other subsidized developments and served as the spokesperson for the HPHA; and

WHEREAS, while petite in stature, due to her genuine concern for the less fortunate, no task was too large for Ms. Dodson to take head on. During her tenure, she worked closely with the managers, staff and residents to resolve various issues; and

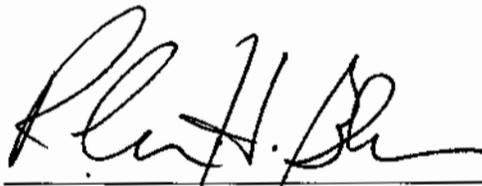
WHEREAS, Ms. Dodson gained the respect and admiration of Board members, employees and residents, alike; now, therefore,

BE IT RESOLVED that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 08 Expressing Appreciation to Ms. Pamela Y. Dodson on this 18th day of July 2007; and

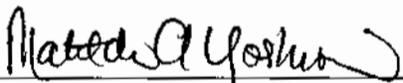
BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to Ms. Dodson along with expressions of gratitude for her commitment and tireless efforts to assist the citizens of the State of Hawaii.



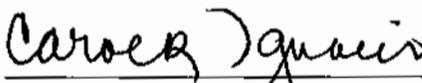
Travis O. Thompson, Chairman



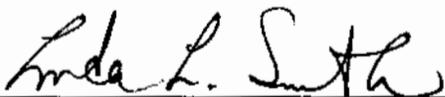
R. Eric H. Beaver, Vice Chair



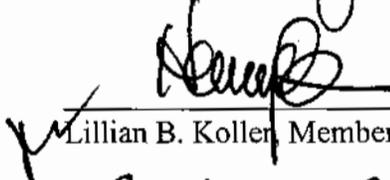
Matilda A. Yoshioka, Secretary



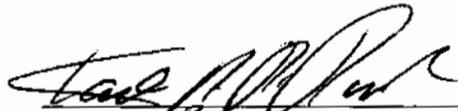
Carol R. Ignacio, Member



Linda L. Smith, Member



Lillian B. Koller, Member



Kaulana H.B. Park, Member



Clarissa P. Hosino, Member



Ann Marie Beck, Member



Executive Director's Report July 2007

1. Elevators (exhibit A)
2. Priorities
 - a. Fixing vacant units (exhibits B, C, D)
 - b. Filling vacant units (exhibit B)
 - c. Evictions for nonpayment of rents and rules violations (exhibit E)
 - i. Non-vacated tenants owe: \$1,576,062
 - ii. Vacated tenants owe: \$2,795,306
 - d. Finishing work orders (exhibit F)
 - e. Performance evaluations
3. Regular meetings with management units
Kauai, Hilo, Maui
4. Project Management organization, recruitment
5. Community organizing (education)
6. Appliance Contract Cost Analysis (exhibit G)
Privately managed public housing contracts
7. Section 8 Vouchers (exhibit H)
8. Homeless programs (Exhibit I)
9. Personnel (exhibit J)
10. Compliance (exhibit K)
11. Information Technology Office (exhibit L)
12. Energy Performance Contract RFP (exhibit M)
13. General Ledger; Unaudited Report to HUD 8/31/07; Audit Firm
14. Legislative Plans – Budget Requests, Timing
15. Public Housing Administrative Reform issues, Mike Flores
16. Transition to Asset Management
17. Roof top antennas status
18. Other matters

Progress Report: Hawaii Public Housing Authority Elevators reported as of 8/9/07

REPAIR OF NONFUNCTIONING ELEVATORS											Modifications Planned	
Repair Priority	Name	Type	Elevators Down	No. of Elevators	Elevators Working	Percentage Working	Repair	Contractor Name	Start Date	Estimated Completion	Major	Minor
1	Kuhio Park Terrace B	Family	2	3	1	33%	Kone's mainland tech is working on elevator. Annual inspection to be scheduled this week. Elevator operation subject to air conditioning in machine room being repaired.	Kone	06/29/07	08/24/07	3	
1	Kuhio Park Terrace A	Family	2	3	1	33%	Elevator passed HIOSH annual inspection. However, HIOSH gave HPHA a 30 day certificate until phone is operational in elevator and subject to airconditioning in machine room being repaired.	Kone	07/06/07	08/24/07	3	
1	Paoakalani	Elderly	1	2	1	50%	Kone has scheduled a 5 year test for BOTH elevators. HIOSH test to be conducted on 9/20.	Kone	06/29/07	08/16/07	2	
	Kalakaua Home	Elderly	0	2	2	100%					2	
	Ho'olulu Elderly	Elderly	0	2	2	100%						2
	Kalanihua	Elderly	0	2	2	100%					2	
	Kamalu Elderly	Elderly	0	2	2	100%						2
	Makamae	Elderly	0	2	2	100%					2	
	Makua Alii	Elderly	0	2	2	100%					2	
	Punchbowl Homes	Elderly	0	2	2	100%					2	
	Banyan St Manor	Family	0	1	1	100%					1	
	Hale Poai	Elderly	0	2	2	100%					2	
	Halia Hale	Elderly	0	1	1	100%						1
	Kulaokahua	Homeless	0	2	2	100%						2
	Laiola	Elderly	0	2	2	100%					2	
	Pumehana	Elderly	0	2	2	100%					2	
	Salt Lake Apts	Family	0	1	1	100%					1	
	Wilikina Apts	Family	0	2	2	100%					2	
		Total:	5	35	30						28	7

EXHIBIT A

**PROPERTY MANAGEMENT AND MAINTENANCE SERVICES BRANCH STATUS REPORT
Reporting for Month of July 2007**

Property Management & Maintenance Services Branch

Private Management Contracts Section

- Approved the consultant's 100% submittal of the plans and specifications for the renovation of the Banyan Street Manor. Bidding in progress.
- Proposals for the Real Estate consultant for the sale of Wilikina Apartments reviewed and contract expected to be executed in August.
- PMMSB Central Office Staff relocated office from Building G to Building E.

Oahu

- Applications completely processed - 156
- Number of vacancies filled - 26

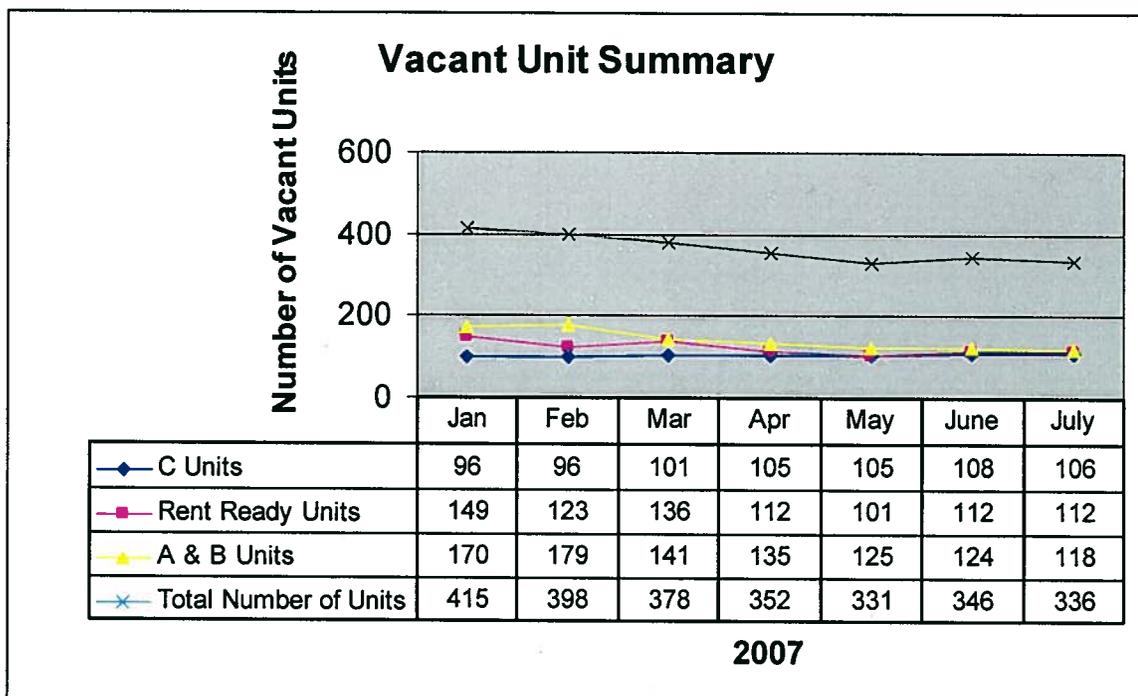
Big Island

- One placement in July.

Maui

- Placed 2 families for July.

Vacant Unit Summary



Central Maintenance Services Section

- All maintenance staff are working on a daily (Monday - Friday) basis that will be repairing vacant units and daily work orders.

Occupancy / Vacancy Report
(As of July 31, 2007)

Occupancy Report
(As of July 31, 2007)

Total Units	5363
Less: Units to be demolished	170
Equals Units available for occupancy (less demolition)	5193

Net Units Available for Occupancy	
Units available for occupancy (less demolition)	5193
Less: Units not available for occ (less vcnt Mod appd, Dgm appd)	144
Equals Net Units Available for Occupancy	5049
Add: Units occupied that are demo	23
Total units available for occupancy	5072

Occupancy Report	
Total available units	5072
Less: Total occupied units	4736
Equals Total Vacant Units	336

=	Mod C vacant	+	Approved Deprogrammed
	115		29

Total Occupancy:	93%
Total Vacancy:	7%

EXHIBIT
C

Occupancy / Vacancy Report
(As of July 31, 2007)

	3	5	6	7	8	9				10	11								
	Project Name	Total Project Units	Total Employee Units	Total Non-Dwelling Units	Total Units Available for Occupancy	Total Vacant Units	Notation	Occupancy rate	Vacancy rate	Total Units Occupied by Flat Rent Paying Low Income Tenants	Total Units Occupied by Low Income Tenants	Total Units Occupied by Elderly/Disable Low Income Tenants	Original total of units available for occupancy	Demo - apprvd	Mod - apprvd	C - apprvd	C- not apprvd	Demo - occ	Mod - occ
MU 1	Puuwai Momi	260	0	0	260	3		0.99	0.01	2	255	60	260						
1	Hale Laulima	36	0	0	36	1		0.97	0.03	0	35	10	36						
1	Waipahu I	19	0	1	18	1		0.94	0.06	0	17	2	19						
1	Waipahu II	20	0	1	19	0		1.00	0.00	0	19	3	20						
1	Salt Lake	28	0	0	28	0		1.00	0.00	0	28	28	28						
2	Kalihi Valley Homes	301	0	1	300	33	*	0.88	0.11	3	260	50	373	72	27	22		23	
3	Mayor Wright Homes	364	0	1	363	18		0.95	0.05	3	342	126	364			9			
3	Kaahumanu Homes	152	0	1	151	6		0.96	0.04	2	143	59	152			1			
3	Kamehameha Homes	221	0	1	220	9		0.96	0.04	2	209	93	221						
4	Makua Alii	211	0	1	210	6		0.97	0.03	0	204	204	211			5			
4	Paoakalani	151	1	0	150	1	**	0.99	0.01	0	139	139	151		10				
4	Kalakaua Homes	221	0	1	220	3		0.99	0.01	1	216	0	221						
5	Punchbowl Homes	156	0	0	156	4		0.97	0.03	0	152	145	156						
5	Kalanihuaia	151	0	2	149	5		0.97	0.03	0	144	144	151			1			
5	Makamae	124	0	1	123	9	***	0.91	0.09	0	86	86	124		28	1			
5	Pumehana	139	0	0	139	12		0.91	0.09	1	126	126	139						
5	Spencer House	17	0	0	17	3		0.82	0.18	0	14	5	17			3			
7	Lanakila Homes I	36	0	0	36	3		0.92	0.08	1	32	2	100	64					
7	Lanakila Homes II	44	0	0	44	5		0.89	0.11	0	39	9	44			1			
7	Lanakila Homes III	0	0	0	0	0		0.00	0.00	0	0	0	30	30					
7	Punahale	30	0	0	30	3		0.90	0.10	0	27	7	30						
7	Pomaikai	20	0	0	20	5		0.75	0.25	0	15	15	20			4			
7	Pahala	24	0	0	24	7		0.71	0.29	0	17	17	24						
7	Hale Aloha O Puna	30	0	0	30	9		0.70	0.30	0	21	21	30			9			
7	Hale Olaloa	50	0	0	50	3		0.94	0.06	0	47	47	50						
7	Kauhale O'Hanakahi	20	0	0	20	7		0.65	0.35	0	13	1	20						
7	Lanakila Homes IV	48	0	0	48	2		0.96	0.04	2	44	2	48						
8	Kapaa	36	0	1	35	1		0.97	0.03	2	32	15	36						
8	Hale Hoolulu	12	0	0	12	0		1.00	0.00	0	12	12	12						
8	Hui O Hanamaulu	46	0	1	45	3		0.93	0.07	3	39	13	46						
8	Kalaheo	8	0	0	8	3		0.63	0.38	0	5	2	8			3			
8	Hale Nani Kai O Kea	38	0	0	38	0		1.00	0.00	1	37	38	38						

Occupancy / Vacancy Report
(As of July 31, 2007)

	3	5	6	7	8	9				10	11								
	Project Name	Total Project Units	Total Employee Units	Total Non-Dwelling Units	Total Units Available for Occupancy	Total Vacant Units	Notation	Occupancy rate	Vacancy rate	Total Units Occupied by Flat Rent Paying Low Income Tenants	Total Units Occupied by Low Income Tenants	Total Units Occupied by Elderly/Disable Low Income Tenants	Original total of units available for occupancy	Demo - apprvd	Mod - apprpd	C - apprpd	C - not apprpd	Demo - occ	Mod - occ
MU 9	David Malo Circle	18	0	0	18	1		0.94	0.06	0	17	2	18			1			
9	Kahekili Terrace	82	0	0	82	12		0.85	0.15	2	68	9	82						
9	Piilani	42	0	0	42	3		0.93	0.07	0	39	26	42						
9	Makani Kai Hale I	25	0	0	25	5		0.80	0.20	0	20	2	25						
9	Makani Kai Hale II	4	0	0	4	2		0.50	0.50	0	2	0	4						
40	Kuhio Homes	134	0	1	133	3		0.98	0.02	1	129	26	134						
40	Kuhio Park Terrace	610	0	3	607	30	****	0.95	0.05	5	572	59	614	4		19			
41	Eleele	24	0	0	24	0		1.00	0.00	1	23	6	24						
41	Home Nani	14	0	0	14	0		1.00	0.00	0	14	13	14						
41	Hale Hoonanea	40	0	0	40	2		0.95	0.05	0	38	38	40						
41	Kekaha Ha'aheo	78	0	0	78	1		0.99	0.01	0	77	16	78						
41	Kawailehua	25	0	0	25	0		1.00	0.00	0	25	0	25						
43	Kaimalino	40	0	1	39	1		0.97	0.03	2	36	8	40						
43	Hale Hookipa	32	0	0	32	11		0.66	0.34	0	21	21	32			3			
43	Ka Hale Kahaluu	50	0	0	50	0	*****	0.00	0.00	0	0	0	50		50				
43	Nani Olu	32	0	0	32	8		0.75	0.25	0	24	26	32						
43	Kealakehe	48	0	1	47	4		0.91	0.09	1	42	2	48						
44	Maili I	20	0	0	20	0		1.00	0.00	0	20	1	20						
44	Nanakuli	36	0	1	35	2		0.94	0.06	0	33	4	36						
44	Maili II																		
44	Waimaha/Sunflower	130	0	1	129	8		0.94	0.06	0	121	7	130						
44	Kau'ioakalani	50	0	0	50	8		0.84	0.16	0	42	2	50			3			
44	Maili II	24	0	0	24	2		0.92	0.08	0	22	3	24						

**HAWAII PUBLIC HOUSING AUTHORITY
REPAIR MAINTENANCE AND CAPITAL PROJECTS**

			Construction		Vacant Units	
			Start	End		
2007-2008 Repair and Maintenance Funds (\$4.5M)						
\$ 3,000,000						
Vacant Unit Repairs = \$1.5M contract costs (50 KVH/ 50 Oahu/50 Hilo); \$1.5M for MUs new/existing vacants						
Hoolulu Termite Repair (Wahiawa)		\$	68,405.00	8/1/2007	12/1/2007	9
Phase 1 - KVH A&B Units (Contract)		\$	500,000.00	10/1/2007	4/1/2007	49
Phase 2 - Oahu A&B Units (Contract)		\$	500,000.00	11/1/2007	6/1/2008	38
Phase 3 - Outer Islands A&B Units (Contract)		\$	400,000.00	12/1/2007	8/1/2008	35
Phase 4 - Kahale Kahaluu tenant relocation A&B Units (Contract)		\$	300,000.00	11/1/2007	3/1/2008	30
Management Unit Repairs (Contract/Materials)		\$	1,231,595.00	11/1/2007	3/1/2008	
SUBTOTALS		\$	3,000,000.00		Subtotal	161
TOTAL (Design and Construction)		\$	3,000,000.00			
\$ 1,000,000	General R&M					
\$ 500,000	Annual Base R&M					
	Design		Construction			
KVH Gym Ceiling Renovation		\$	23,300.00	10/1/2007	1/1/2008	
Hale Hookipa Tree Removal (Big Island)		\$	72,916.20	9/1/2007	11/1/2007	
Lai'ola Booster Pump Replacement (Wahiawa)		\$	30,000.00	9/15/2007	12/1/2007	
Lai'ola Fire Alarm System (Wahiawa)	\$ 20,000.00	\$	300,000.00	3/1/2008	7/1/2008	
Kupuna Home Waialua: Sewage Trtmt Plant (Waialua)	\$ 40,000.00	\$	120,800.00	4/1/2008	10/1/2008	
Puuwai Momi: Roof & Gutter Repair (Halawa)	\$ -	\$	69,000.00	10/1/2007	2/1/2008	
Kalanihua: Trash Chute Repair	\$ -	\$	15,000.00	9/1/2007	12/1/2007	
Kuhio Park Terrace: Repair Burned Unit	\$ -	\$	20,000.00	10/1/2007	12/1/2007	1
Hilo: OCCC (Unit and Site Repairs)	\$ -	\$	162,200.00	7/1/2007	6/30/2008	
Ho'olulu/Kamalu: Emergency Call System (Waipahu)	\$ 50,000.00 (1)	\$	-	5/1/2008	5/1/2009	
Elevator Consulting Services	\$ 200,000.00	\$	-			
Recurring Maintenance Contracts	\$ -	\$	503,000.00	7/1/2007	6/30/2008	
SUBTOTALS	\$ 310,000.00	\$	1,190,000.00		Subtotal	1
TOTAL (Design and Construction)		\$	1,500,000.00			
2006-2007 Capital Improvement Program (\$2.0M) Large Capacity Cesspool Conversion						
	Design		Construction			
Consultant - Maui and Kauai	\$ 300,000.00 (5)			10/1/2007		
Lokahi, Halaula Teacher Cottage, Ka'u Teacher Cottage (Big Island)		\$	500,000.00	10/1/2007	7/1/2008	
Nani O'Puna & Hale Aloha O'Puna (Big Island)		\$	520,000.00	11/1/2007	7/1/2008	
Noelani I & II and Waimea Teacher Cottage (Big Island)	\$ -	\$	680,000.00	10/1/2007	2/1/2008	
SUBTOTALS	\$ 300,000.00	\$	1,700,000.00			
TOTAL (Design and Construction)		\$	2,000,000.00			
2006-2007 Capital Improvement Program (\$4.9M)						
	Design		Construction			
Hawaii Vertical Transportation (Elev. R&M)	\$ -	\$	913,000.00	7/1/2007	6/30/2008	
Puahala: Site Work, Sidewalks, Retaining Wall	\$ 151,220.00	\$	1,446,538.00	4/1/2008	10/1/2009	
Hale Poai: Fire Alarm, Landscape Sprinklers, Heat Pumps	\$ 173,000.00	\$	1,500,000.00	4/1/2008	4/1/2009	
Elevator Consulting Services	\$ 716,242.00	\$	-			
SUBTOTALS	\$ 1,040,462.00	\$	3,859,538.00			
TOTAL (Design and Construction)		\$	4,900,000.00			

EXHIBIT D

**HAWAII PUBLIC HOUSING AUTHORITY
REPAIR MAINTENANCE AND CAPITAL PROJECTS**

			Construction		Vacant Units
			Start	End	
2007-2008 Capital Improvement Program Elevators (\$5M)					
	Design		Construction		
Minor Elevator Modernization at Ho'olulu, Kamalu, Halia Hale, Kulaokahua	\$ 50,000.00		\$ 690,000.00	4/1/2008	4/1/2009
Kalakaua Elevator Modernization	\$ 40,000.00		\$ 660,000.00	4/1/2008	4/1/2009
Kuhio Park Terrace Elevator Modernization	\$ -		\$ 2,400,000.00	12/1/2007	2/1/2009
Kalanihulia - Elevator Modernization	\$ 40,000.00		\$ 520,000.00	4/1/2008	4/1/2009
Elevator Consultant - TBD	\$ 600,000.00		\$ -		
SUBTOTALS	\$ 730,000.00		\$ 4,270,000.00		
TOTAL (Design and Construction)			\$ 5,000,000.00		
2007-2008 Capital Improvement Program (\$20M)					
	Design		Construction		
Lanakila: Disability Fair Housing Renovations (Big Island)	\$ 300,000.00		\$ 3,000,000.00	4/1/2008	10/1/2009
Makani Kai Hale: Siding & Electrical Work (Maui)	\$ 80,000.00		\$ 750,000.00	2/1/2008	2/1/2009
Kahekili Terrace & David Malo Bum Unit: Roof & Solar Repairs (Maui)	\$ 60,000.00		\$ 400,000.00	4/1/2008	10/1/2008
Puuwai Momi: Electrical Distribution System (Halawa)	\$ 100,000.00		\$ 1,000,000.00	8/1/2008	7/1/2009
KVH Phase 4 w/ Retaining wall	\$ 300,000.00		\$ 3,000,000.00	4/1/2008	4/1/2009
Hale Hauoli: Roofing and Interior Repairs (Big Island)	\$ 200,000.00		\$ 2,000,000.00	3/1/2008	3/1/2009
Kuhio Park Terrace: Sewer Repair	\$ 150,000.00		\$ 2,000,000.00	1/1/2008	6/1/2008
Ho'olulu/Kamalu: Emergency Call System (Waipahu)	\$ -	(1)	\$ 500,000.00	5/1/2008	5/1/2009
Lokahi: Site Work and Bath Renovations (Big Island)	\$ 170,000.00	(2)	\$ -	4/1/2008	4/1/2009
Mayor Wright Homes: Solar Water	\$ 300,000.00	(3)	\$ -	5/1/2008	5/1/2009
Mayor Wright Homes: Kitchen/Bath Repairs	\$ 100,000.00	(4)	\$ -	5/1/2008	5/1/2009
Cesspool Conversions to Sewer Hook Up	\$ -	(5)	\$ 2,000,000.00		
Hale Hookipa & Nani Olu (Big Island)				12/1/2007	1/1/2009
Hale Hauoli & Honokaa Teacher Cottage (Big Island)				12/1/2007	1/1/2009
Paoakalani - Elevator Modernization	\$ 40,000.00		\$ 450,000.00	4/1/2008	4/1/2009
Makua Alii - Elevator Modernization	\$ 35,000.00		\$ 450,000.00	4/1/2008	4/1/2009
Pumehana Elevator Modernization	\$ 35,000.00		\$ 450,000.00	4/1/2008	4/1/2009
Punchbowl Elevator Modernization	\$ 35,000.00		\$ 400,000.00	4/1/2008	4/1/2009
Makamae Elevator Modernization	\$ 35,000.00		\$ 400,000.00	4/1/2008	4/1/2009
Salt Lake Apt Elevator Modernization	\$ 20,000.00		\$ 200,000.00	4/1/2008	4/1/2009
Hale Poai Elevator Modernization	\$ 20,000.00		\$ 300,000.00	4/1/2008	4/1/2009
Laiola Elevator Modernization	\$ 20,000.00		\$ 200,000.00	4/1/2008	4/1/2009
School Street bldg A & C AC and Ltg	\$ -		\$ 500,000.00	11/1/2007	7/1/2008
SUBTOTALS	\$ 2,000,000.00		\$ 18,000,000.00		Subtotal 57
TOTAL (Design and Construction)			\$ 20,000,000.00		

**HAWAII PUBLIC HOUSING AUTHORITY
REPAIR MAINTENANCE AND CAPITAL PROJECTS**

			Construction		Vacant Units
			Start	End	
CAPITAL FUND CONTRACTS FFY2004 & 2005					
	Design	Construction			
Federal PNA	\$ 400,000.00		8/15/2007	10/1/2007	
Makua Aii Sewer Repair		\$ 33,440.00	9/1/2007	12/1/2007	2
Noelani Exterior Repair (Big Island)		\$ 2,387,931.60	9/1/2007	7/1/2008	2
Lanakila Demo - 94 units (Big Island)		\$ 1,500,000.00	10/1/2007	2/1/2008	
Lanakila PH 3B (Big Island)		\$ 6,000,000.00	12/1/2007	10/1/2009	20
Kahale Kahaluu (Big Island)		\$ 10,600,000.00		10/1/2007	50
Makamae Spall Repair		\$ 3,377,300.00			28
KPT Bldg B Telephone Infrastructure	\$ -	\$ 207,226.64		8/31/2007	
SUBTOTALS	\$ 400,000.00	\$ 24,105,898.24		Subtotal	102
TOTAL (Design and Construction)		\$ 24,505,898.24			
CAPITAL FUND CONTRACTS FFY2006 (\$10M)					
	Design	Construction			
Kalihi Valley Homes Phase 3B Construction		\$ 6,300,000.00	10/1/2007	12/1/2008	27
Paoakalani - Roofing, Conc Spall Repair & Parapet Wall Constr		\$ 400,000.00	10/1/2007	10/1/2008	10
Kuhio Park Terrace Fire Alarm - Design/Build Kaimalino, Exterior Repairs and Painting (Big Island)		\$ 2,000,000.00	12/1/2007	7/1/2009	
	\$ -	\$ 1,300,000.00	6/1/2008	5/1/2009	—
SUBTOTALS	\$ -	\$ 10,000,000.00		Subtotal	37
TOTAL (Design and Construction)		\$ 10,000,000.00			
CAPITAL FUND CONTRACTS FFY2007 (\$10M)					
	Design	Construction			
Kealakehe - Roofing and Exterior Repairs (Big Island)		\$ 1,200,000.00	1/1/2009	11/1/2009	
Mayor Wright Homes Solar Water Heater Improvements		\$ 3,000,000.00			
Nani Olu Roofing and Exterior Repairs (Big Island)		\$ 1,200,000.00	12/1/2007	8/1/2008	
Hale Hookipa Roofing and Exterior Repairs (Big Island)		\$ 1,100,000.00	1/1/2008	12/1/2008	
Cesspools - Kaimalino (Big Island)		\$ 2,000,000.00			
Type "C" - Vacant Units					
Kauhale Ohana - 4 type C		\$ 140,000.00	11/1/2007	5/1/2008	4
Roof Repair - Kaahumanu, Mayor Wright, Wahaiawa Terrace, Kuhio Park Terrace, Kaulokalani	\$ 213,282.00		5/1/2008	5/1/2009	12
Termite Repair - Hui O'Hanamaulu, Kalaheo, Kuhio Park Terrace	\$ 167,543.00		5/1/2008	5/1/2009	6
Kuhio Park Terrace - Trash Chutes	\$ -	\$ 500,000.00	2/1/2008	2/1/2009	—
SUBTOTALS	\$ 380,825.00	\$ 9,140,000.00		Subtotal	22
TOTAL (Design and Construction)		\$ 9,520,825.00			
OTHER STATE FUNDS					
Hauiki Abatement		\$ 883,894.00			13
				Subtotal	13
Jobs and Estimated Costs are Subject to Change			Total Vacant Units		393
Bold Numbers indicate actual costs					
(1) - Design 07 R&M, Construction 07 CIP					
(2) - Construction for future funding					
(3) - Construction for future funding					
(4) - Construction for future funding					
(5) - Design 06 CIP LCC, Construction 07 CIP					

**FB 07-09 BUDGET
DEPARTMENT SUMMARY OF PROPOSED CIP LAPSES AND NEW CIP REQUESTS
PART B: NEW REQUESTS**

Project Title	MOF	FY 08	FY 09	STATUS
Large Capacity Cesspools - Statewide	A	2,000,000	2,000,000	07 BUDGET
Extraordinary Maintenance - Type C - Statewide	A	3,000,000	2,000,000	07 BUDGET
Vacant Unit Turn-arounds, types A & B, state and federal projects	A	3,000,000	2,000,000	07 BUDGET
School Street Building A Asbestos Abatement, Structural Repairs, and Renovation	C	3,000,000		07 BUDGET
Roofing Improvements, state and federal projects	C	2,000,000	3,000,000	FUTURE
Elevator Modernization, KPT, Makua Alii, Banyan Street Manor, Kalanihulia, Kalakaua Homes, Hale Poai	C	10,000,000	5,000,000	07 BUDGET
Central Office Building - Consolidation of Temporary Buildings	C	15,000,000	5,000,000	
Puuwai Momi Electrical Distribution System	C	500,000	1,500,000	07 BUDGET
Asbestos and Lead Based Paint abatement, state and federal projects	C	3,000,000	7,000,000	FUTURE
Accessibility Renovation and Barrier removal, state and federal projects	C	2,000,000	14,000,000	FUTURE
Exterior weatherproofing improvements and structural repairs, state and federal projects	C	5,000,000	20,000,000	FUTURE
Bath and Kitchen Upgrades - Extraordinary Maintenance - Mayor Wright Homes	C	2,500,000		07 BUDGET
School Street Central Office and Puahala Homes Roadway and parking renovation	C	500,000		FUTURE
Palolo Valley Homes Modernization,	C		6,000,000	FUTURE
CIP Staff Costs	A	2,575,000	\$3,075,000.00	
		54,075,000	\$70,575,000.00	
TOTAL			141,150,000	

**HAWAII PUBLIC HOUSING AUTHORITY
REPAIR & MAINTENANCE AND CAPITAL PROJECTS
DETAIL OF FUTURE PROJECTS FOR 2008 LEGISLATIVE REQUEST**

Project	Location	Description of work	Design	Construction
Puahala Homes I, II, III & IV	Oahu	Abatement and modernization	\$200,000	\$2,500,000
Lokahi	Hilo	Site and building modernization	\$200,000	\$1,000,000
Pomaikai	Hilo	ADA units and modernization	\$200,000	\$1,000,000
Pahala	Kau	ADA units and modernization	\$200,000	\$1,000,000
Hale Aloha O`Puna	Keeau	ADA units and modernization	\$200,000	\$1,000,000
Hale Nana Kai O`Kea	Kauai	Site and building modernization	\$250,000	\$2,000,000
Kahale Mua	Molokai	Site and building modernization	\$200,000	\$800,000
Kawailehua	Kauai	Exterior building repairs	\$250,000	\$1,000,000
Ke Kumu Elua	Kona	Site and building modernization	\$200,000	\$2,000,000
Hauiki	Oahu	Site and building modernization	\$200,000	\$2,000,000
Kalihi Valley Homes	Oahu	Reconstruct Kalena Drive	\$30,000	\$200,000
Kalihi Valley Homes	Oahu	Office roof, office and play area asbestos abatement	\$50,000	\$200,000
Kuhio Park Terrace	Oahu	Rezoning and subdivision	\$200,000	N/A
Palolo Valley Homes	Oahu	Physical improvements - Phase 1	\$600,000	\$6,000,000
Mayor Wright	Oahu	Physical improvements - Phase 1	<u>\$200,000</u>	<u>\$1,750,000</u>
SUBTOTALS			\$3,180,000	\$22,450,000
TOTAL (Design and Construction)				\$25,630,000

August 6, 2007

To: Chad K. Taniguchi, Executive Director

From: Lili A. Funakoshi, Hearings Officer

Re: July 2007 Accomplishments and Objectives Report

Accomplishments:

The following are the number of eviction referrals and appeals that were heard and resolved for July 2007.

MONTH	RENT	OTHER	EVICT	EVICT With COND	10-DAY CURE	DISMISS	CONTIN
JULY 07	11	10	9	3	2	0	7

Objectives:

1. To recommend qualified persons, especially qualified residents to fill positions for the neighbor island eviction boards.
2. To provide updated training in conjunction with the AG's office for the Eviction Board Members regarding issues relating to evictions (i.e. LEP, MEID, VAWA, duties and powers).
3. Continue to provide assistance to HPHA staff regarding evictions procedure or concerns regarding the eviction process in the form of training, etc., as needed.
4. Continue to provide assistance to HPHA staff regarding the grievance procedure.
5. Schedule properly referred cases to meet the timelines set forth by HUD in the Improvement Plan regarding evictions for delinquent rent and nonrent cases.

EXHIBIT E

HPHA Improvement Plan
Element 4:
Aged Receivables Report
For The Month of July 2007

Project #	Name	Area	Collected Ratio	Non Vacated Tenants					Total Non Vacated	Vacated Tenants					Total Vacated	Total TAR					TOTAL
				Prepays	0 - 29 days	30 - 59	60 - 89	90+		Prepays	0 - 29	30 - 59	60 - 89	90+		Prepays	0 - 29	30 - 59	60 - 89	90+	
HI001026	Puuwai Momi	01	99%	(7,462.72)	20,506.07	10,594.95	5,854.15	14,069.00	43,561.45	(318.14)	8.00	304.84	17.79	113,397.58	113,410.07	(7,780.86)	20,514.07	10,899.79	5,871.94	127,466.58	156,971.52
HI001027	Hale Laulima	01	107%	(1,438.34)	1,951.91	889.00	889.00	1,598.34	3,889.91	(164.90)				54,358.89	54,193.99	(1,603.24)	1,951.91	889.00	889.00	55,957.23	58,083.90
HI001038	Waipahu I	01	100%		705.25	418.00	395.00	3,020.86	4,539.11					354.86	354.86	-	705.25	418.00	395.00	3,375.72	4,893.97
HI001039	Waipahu II	01	93%	(55.00)	2,704.89	386.00	51.14	117.49	3,204.52					5,681.68	5,681.68	(55.00)	2,704.89	386.00	51.14	5,799.17	8,886.20
HI001066	Salt Lake	01	124%	(1.00)	1,231.23	464.00	-	142.00	1,836.23	(22.00)				21.30	(0.70)	(23.00)	1,231.23	464.00	-	163.30	1,835.53
HI001005	Kalihi Valley Homes	02	86%	(8,913.93)	55,340.48	38,529.30	32,378.94	288,056.39	405,391.18	(1,053.00)	735.17	671.00	2,267.52	238,362.50	240,983.19	(9,966.93)	56,075.65	39,200.30	34,646.46	526,418.89	646,374.37
HI001003	Mayor Wright Homes	03	91%	(2,313.65)	23,997.03	12,315.87	8,520.17	61,473.77	103,993.19	(260.44)	308.16	1,396.00	1,692.00	153,461.66	156,597.18	(2,574.09)	24,305.19	13,711.87	10,212.17	214,935.23	260,590.37
HI001009	Kaahumanu Homes	03	101%	(3,791.97)	4,798.28	2,976.97	1,808.15	7,540.43	13,331.86	(941.19)	36.42	-	-	55,286.74	54,381.97	(4,733.16)	4,834.70	2,976.97	1,808.15	62,827.17	67,713.87
HI001099	Kamehameha Homes	03	91%	(1,929.11)	5,355.14	3,314.44	2,451.31	15,811.75	25,003.53	(206.69)	13.51	666.92	111.00	18,328.83	18,913.57	(2,135.80)	5,368.65	3,981.36	2,562.31	34,140.58	43,917.16
HI001012	Makua Alii	04	105%	(1,225.08)	683.59	45.78	-	72.64	(423.07)	-	25.35	67.64	-	2,312.89	2,405.88	(1,225.08)	708.94	113.42	-	2,385.53	1,982.81
HI001036	Paoakalani	04	99%	(751.69)	104.49	67.47			(579.73)				95.33	2,217.44	2,312.77	(751.69)	104.49	67.47	95.33	2,217.44	1,733.04
HI001062	Kalakaua Homes	04	97%	(4,380.12)	917.12	3.52			(3,459.48)			1.27		7,059.83	7,061.10	(4,380.12)	917.12	4.79	-	7,059.83	3,601.62
HI001011	Punchbowl Homes	05	105%	(1,160.00)	3,066.85	1,719.99	1,229.70	8,859.00	13,715.54	(1,166.25)			296.71	10,318.83	9,449.29	(2,326.25)	3,066.85	1,719.99	1,526.41	19,177.83	23,164.83
HI001024	Kalanihua	05	104%	(2,655.91)	204.13	202.00		150.43	(2,099.35)		174.70		171.00	2,316.64	2,662.34	(2,655.91)	378.83	202.00	171.00	2,467.07	562.99
HI001046	Makamae	05	98%	(1,240.62)	1,554.34	876.45	575.73	9,453.27	11,219.17	(2,632.58)	187.81	23.85	258.67	7,292.08	5,129.83	(3,873.20)	1,742.15	900.30	834.40	16,745.35	16,349.00
HI001047	Pumehana	05	106%	(1,012.00)	1,862.01	1,053.21	937.10	2,802.32	5,642.64	(7.55)		120.41	7.52	10,635.85	10,756.23	(1,019.55)	1,862.01	1,173.62	944.62	13,438.17	16,398.87
HI001073	Spencer House	05	108%	(285.00)	348.50				63.50				56.22	1,404.91	1,461.13	(285.00)	348.50	-	56.22	1,404.91	1,524.63
HI001004	Lanakila Homes I	07	92%	(593.91)	1,095.51	368.21	60.30	2,269.32	3,199.43	(116.52)	405.00	429.00	429.00	39,521.92	40,668.40	(710.43)	1,500.51	797.21	489.30	41,791.24	43,867.83
HI001013	Lanakila Homes II	07	108%	(749.83)	1,967.53	2,208.80	984.50	870.00	5,281.00	(682.59)	-	-	47.40	37,790.91	37,155.72	(1,432.42)	1,967.53	2,208.80	1,031.90	38,660.91	42,436.72
HI001014	Lanakila Homes III	07											61,997.62	61,997.62	-	-	-	-	61,997.62	61,997.62	
HI001104	Lanakila Homes IV	07	99%	(82.90)	2,692.41	2,728.02	1,161.13	1,091.51	7,590.17			158.00	158.00	3,146.97	3,462.97	(82.90)	2,692.41	2,886.02	1,319.13	4,238.48	11,053.14
HI001028	Punahale Homes	07	77%	(432.14)	1,989.52	977.00	617.00	9,589.93	12,741.31	(150.00)				4,598.76	4,448.76	(582.14)	1,989.52	977.00	617.00	14,188.69	17,190.07
HI001029	Pomaikai Homes	07	108%		10.00			15.92	25.92					2,114.00	2,114.00	-	10.00	-	-	2,129.92	2,139.92
HI001045	Pahala	07	88%	(198.00)	468.00	92.47		2.00	364.47	(150.00)	271.00			5,407.07	5,528.07	(348.00)	739.00	92.47	-	5,409.07	5,892.57
HI001051	Hale Aloha O Puna	07	98%	(116.00)	528.61	177.00	171.00	1,092.00	1,852.61	(119.36)				1,282.60	1,163.24	(235.36)	528.61	177.00	171.00	2,374.60	3,015.85
HI001052	Hale Olaloa	07	100%		783.00	37.85	-	271.67	1,092.52	(135.00)				564.00	429.00	(135.00)	783.00	37.85	-	835.67	1,521.52
HI001018	Kapaa	08	81%	(110.43)	4,263.35	3,198.42	2,775.50	18,922.16	29,049.00	(0.01)				14,400.67	14,400.66	(110.44)	4,263.35	3,198.42	2,775.50	33,322.83	43,449.66
HI001019	Hale Hoolulu	08	108%	-	2.28				2.28					-	-	-	2.28	-	-	-	2.28
HI001021	Hui O Hanamaulu	08	71%		5,400.52	5,222.00	4,476.26	50,210.14	65,308.92		2,925.28	266.00	266.00	26,420.43	29,877.71	-	8,325.80	5,488.00	4,742.26	76,630.57	95,186.63
HI001022	Kalaheo	08	82%		1,399.72	898.93	830.00	2,248.78	5,377.43					10,330.60	10,330.60	-	1,399.72	898.93	830.00	12,579.38	15,708.03
HI001054	Hale Nana Kai O Kea	08	93%	(3.00)	1,065.71	1,053.05	1,009.00	2,739.52	5,864.28					-	-	(3.00)	1,065.71	1,053.05	1,009.00	2,739.52	5,864.28
HI001016	David Malo Circle	09	116%	(784.64)	3,339.00	2,378.36	1,621.00	4,065.00	10,618.72					61,568.89	61,568.89	(784.64)	3,339.00	2,378.36	1,621.00	65,633.89	72,187.61
HI001017	Kahehili Terrace	09	62%	(1,452.06)	22,572.00	17,062.62	12,994.79	99,019.47	150,196.82	(686.85)	-	1,790.58	1,157.00	432,982.54	435,243.27	(2,138.91)	22,572.00	18,853.20	14,151.79	532,002.01	585,440.09
HI001044	Piilani Homes	09	87%	(179.00)	1,986.00	1,366.00	885.00	7,810.87	11,868.87					12,724.67	12,724.67	(179.00)	1,986.00	1,366.00	885.00	20,535.54	24,593.54
HI001092	Makani Kai Hale	09	51%	(104.00)	5,891.72	4,783.00	4,452.91	25,890.64	40,914.27	(384.70)				83,660.71	83,276.01	(488.70)	5,891.72	4,783.00	4,452.91	109,551.35	124,190.28
HI001097	Makani Kai Hale II	09	77%	(1,757.00)	6,270.60	5,176.55	2,730.69	23,436.64	35,857.48		61.42			74,742.44	74,803.86	(1,757.00)	6,332.02	5,176.55	2,730.69	98,179.08	110,661.34
HI001088	Kahale Mua	09	61%	-	1,552.45	1,587.00	1,391.55	18,790.09	23,321.09	(1,152.00)		1,144.56		37,339.01	37,331.57	(1,152.00)	1,552.45	2,731.56	1,391.55	56,129.10	60,652.66

EXHIBIT

HPHA Improvement Plan
Element 4:
Aged Receivables Report
For The Month of July 2007

Project #	Name	Area	Collected	Non Vacated Tenants					Total Non Vacated	Vacated Tenants					Total Vacated	Total TAR					
				Prepays	0 - 29 days	30 - 59	60 - 89	90+		Prepays	0 - 29	30 - 59	60 - 89	90+		Prepays	0 - 29	30 - 59	60 - 89	90+	TOTAL
HI001007	Kuhio Homes	40	90%	(4,289.22)	15,272.10	5,268.06	2,747.19	8,757.36	27,755.49	(158.00)	144.00	487.71	2,454.38	52,196.78	55,124.87	(4,447.22)	15,416.10	5,755.77	5,201.57	60,954.14	82,880.36
HI001010	Kuhio Park Terrace	40	95%	(28,275.92)	55,225.17	16,993.07	7,780.16	44,917.87	96,640.35	(2,834.61)	1,856.50	1,543.81	4,965.69	315,110.09	320,641.48	(31,110.53)	57,081.67	18,536.88	12,745.85	360,027.96	417,281.83
HI001020	Eleele Homes	41	108%		1,025.00	761.87	406.00	4,019.40	6,212.27					38,361.21	38,361.21	-	1,025.00	761.87	406.00	42,380.61	44,573.48
HI001023	Home Nani	41	111%	(81.00)					(81.00)				1,144.35	1,144.35	(81.00)	-	-	-	1,144.35	1,063.35	
HI001055	Hale Hoonanea	41	101%	(765.76)	965.00	540.00	540.00	8,730.86	10,010.10	(222.00)	172.00	49.00	293.00	20,566.81	20,858.81	(987.76)	1,137.00	589.00	833.00	29,297.67	30,868.91
HI001064	Kekaha Ha'aheo	41	94%	(658.35)	2,674.39	1,044.69	739.88	6,549.29	10,349.90	(1,814.23)			29.72	40,966.51	39,182.00	(2,472.58)	2,674.39	1,044.69	769.60	47,515.80	49,531.90
HI001086	Kawaiaehua-Federal	41	71%	(569.91)	2,996.00	2,431.92	2,340.00	27,946.40	35,144.41	(168.75)			707.00	21,575.20	22,113.45	(738.66)	2,996.00	2,431.92	3,047.00	49,521.60	57,257.86
HI001032	Kaimalino	43	98%	(144.00)	2,981.00	1,868.00	1,248.00	4,947.10	10,900.10					19,635.40	19,635.40	(144.00)	2,981.00	1,868.00	1,248.00	24,582.50	30,535.5
HI001053	Hale Hookipa	43	111%	-	348.00	177.00	177.00	362.25	1,064.25				67.08	67.08	-	348.00	177.00	177.00	177.00	429.33	1,131.33
HI001061	Ka Hale Kahaluu	43	0%						-				32,180.84	32,180.84	-	-	-	-	32,180.84	32,180.84	
HI001063	Nani Olu	43	96%	(180.00)				37.00	(143.00)				17.00	43.00	228.20	(180.00)	-	17.00	43.00	265.20	145.20
HI001070	Kealakehe	43	80%	(755.07)	6,778.47	2,718.63	1,235.87	5,690.18	15,668.08	(165.00)				58,228.47	58,063.47	(920.07)	6,778.47	2,718.63	1,235.87	63,918.65	73,731.55
HI001033	Maui I	44	73%	(442.59)	1,854.00	1,713.71	2,223.00	8,924.25	14,272.37					1,465.30	1,465.30	(442.59)	1,854.00	1,713.71	2,223.00	10,389.55	15,737.67
HI001035	Nanakuli Homes	44	76%	(5,867.37)	8,078.34	4,101.65	3,494.46	21,429.07	31,236.15	(10.00)	25.00	539.00	194.00	22,588.21	23,336.21	(5,877.37)	8,103.34	4,640.65	3,688.46	44,017.28	54,572.36
HI001042	Maui II	44							-	(33.33)		1,647.92		6,245.08	7,859.67	(33.33)	-	1,647.92	-	6,245.08	7,859.67
HI001057	Waimaha -Sunflower	44	88%	(1,265.22)	8,806.82	5,558.41	3,909.00	33,215.33	50,224.34	(925.00)	507.00		580.00	63,151.31	63,313.31	(2,190.22)	9,313.82	5,558.41	4,489.00	96,366.64	113,537.65
HI001091	Kau'iokalani	44	90%	(214.00)	5,841.94	5,578.01	4,784.23	46,114.77	62,104.95	(138.00)	202.00	202.00	763.00	36,702.90	37,731.90	(352.00)	6,043.94	5,780.01	5,547.23	82,817.67	99,836.85
HI001108	Maui II (new)	44	64%	(5,412.00)	5,306.00	6,259.11	2,585.00	31,605.28	40,343.39	(67.00)					(67.00)	(5,479.00)	5,306.00	6,259.11	2,585.00	31,605.28	40,276.39
HI001025	Waimanalo Homes	45	105%	(57.00)	756.14			627.00	1,326.14	(2,233.00)		251.00		8,978.30	6,996.30	(2,290.00)	756.14	251.00	-	9,605.30	8,322.44
HI001030	Koolau Village	45	83%	(3,152.81)	5,512.00	2,313.95	1,129.30	2,552.18	8,354.62	(91.00)				48,163.73	48,072.73	(3,243.81)	5,512.00	2,313.95	1,129.30	50,715.91	56,427.35
HI001069	Kaneohe Apartments	45	105%	(1,721.00)	1,214.00	12.00			(495.00)				201.00	33,209.12	33,410.12	(1,721.00)	1,214.00	213.00	-	33,209.12	32,915.12
HI001072	Hookipa Kahaluu	45	77%	(604.00)	3,246.00	2,019.62	1,633.00	10,467.28	16,761.90	(2,476.09)	224.00			118,265.57	116,013.48	(3,080.09)	3,470.00	2,019.62	1,633.00	128,732.85	132,775.38
HI001090	Kauhale O'hana	45	90%	(1,371.15)	3,400.77	2,628.62	1,490.00	14,670.00	20,818.24					54,425.70	54,425.70	(1,371.15)	3,400.77	2,628.62	1,490.00	69,095.70	75,243.94
HI001107	Waimanalo Homes II	45	140%	(2,399.96)	153.00				(2,246.96)					-	(2,399.96)	153.00	-	-	-	(2,246.96)	
HI001031	Hale Hauoli	46	100%	(127.90)	389.00	278.00			539.10					5,575.12	5,575.12	(127.90)	389.00	278.00	-	5,575.12	6,114.22
HI001071	Noelani I	46	86%	(474.00)	1,392.00	1,484.00	1,211.00	16,036.67	19,649.67					6,325.56	6,325.56	(474.00)	1,392.00	1,484.00	1,211.00	22,362.23	25,975.23
HI001078	Noelani II	46	67%	(2,750.46)	1,901.00	1,114.00	878.00	1,821.75	2,964.29	(233.00)				49,764.84	49,531.84	(2,983.46)	1,901.00	1,114.00	878.00	51,586.59	52,496.13
HI001015	Wahiawa Terrace	49	92%	(2,575.00)	3,501.00	2,025.00	1,635.00	13,876.29	18,462.29	-	164.00	-	550.00	70,031.74	70,745.74	(2,575.00)	3,665.00	2,025.00	2,185.00	83,908.03	89,208.03
HI001050	Kupuna Home O'Waiailua	49	122%	(1,283.06)	413.00				(870.06)	(663.00)	214.00			21,156.22	20,707.22	(1,946.06)	627.00	-	-	21,156.22	19,837.16
HI001056	Kauhale Nani	49	101%	(2,573.51)	3,438.00	1,930.00	1,837.00	20,909.89	25,541.38					37,292.91	37,292.91	(2,573.51)	3,438.00	1,930.00	1,837.00	58,202.80	62,834.29
HI001008	Palolo Valley Homes	80	83%	(9,305.99)	8,946.57	5,352.89	823.08	8,381.06	14,197.61	(61.00)		137.00	-	2,553.83	2,629.83	(9,366.99)	8,946.57	5,489.89	823.08	10,934.89	16,827.44
TOTAL			103%	(122,495.30)	341,023.95	197,344.44	136,097.19	1,024,091.88	1,576,062.16	(22,642.78)	8,660.32	12,115.51	17,610.95	2,779,562.50	2,795,306.50	(145,138.08)	349,684.27	209,459.95	153,708.14	3,803,654.38	4,371,368.66
														Adjusted Amt						Adjusted Amt	
															Actual Amt					Actual Amt	
															2,795,306.50					4,371,368.66	

PHAS INDICATORS
For the period 7/1/07 - 7/31/07

MU No.	Proj. No.	Project Name	AMP NO.	No. of Units	Placements	No. of Emerg. WO's	Abated within 24 hrs.	% Abated within 24 hrs.	# of Open Emerg. WO's	# of Non-Emerg. WO's	Avg. Days to Repair	# of Open Non-Emerg. WO's	No. of Units Inspect.	%	No. of Bldgs.	No. of Bldgs Inspect	%
MU 1	1026	Puuwai Momi	HI001000030P	260	2	2	0	0%	0	201	7	36	0	0%	28	0	0%
	1027	Hale Laulima		36	0	1	1	100%	1	43	9	8	0	0%	10	0	0%
	1066	Salt Lake		28	0	4	3	75%	2	67	5	26	20	71%	1	0	0%
	1038	Waipahu I		19	0	1	0	0%	0	17	21	9	0	0%	1	0	0%
	1039	Waipahu II		20	0	1	0	0%	0	12	11	3	0	0%	1	0	0%
			Total		363	2	9	4	44%	3	340		82	20	6%	41	0
MU 2	1005	Kalihi Valley Homes	HI001000031P	373	6	36	20	56%	13	385	25	353	0	0%	44	0	0%
		Total															
MU 3	1003	Mayor Wright Homes	HI001000032P	364	0	6	6	100%	0	231	12	105	0	0%	36	0	0%
		Total															
MU 3	1009	Kaahumanu Homes	HI001000033P	152	0	2	2	100%	0	53	22	29	0	0%	19	0	0%
	1099	Kamehameha Homes		221	0	3	3	100%	0	57	13	29	0	0%	29	0	0%
		Total		373	0	5	5	100%	0	110		58	0	0%	48	0	0%
MU 4	1062	Kalakaua Homes	HI001000034P	221	0	5	5	100%	0	103	6	21	22	10%	10	0	0%
	1012	Makua Alii (E)		211	2	3	3	100%	0	86	8	16	23	11%	1	0	0%
	1036	Paoakalani (E)		151	0	3	3	100%	0	77	5	7	20	13%	1	0	0%
		Total		583	2	11	11	100%	0	266		44	65	11%	12	0	0%
MU 5	1011	Punchbowl Homes (E)	HI001000035P	156	3	6	4	67%	2	102	12	64	0	0%	2	0	0%
	1024	Kalanihuia (E)		151	1	5	5	100%	0	45	10	28	0	0%	1	0	0%
	1046	Makamae (E)		124	2	2	1	50%	0	31	16	20	0	0%	1	0	0%
	1073	Spencer House		17	0	0	0	NA	0	13	14	9	0	0%	1	0	0%
	1047	Pumehana (E)		139	1	10	9	90%	2	27	11	17	0	0%	1	0	0%
		Total		587	7	23	19	83%	4	218		138	0	0%	6	0	0%

EXHIBIT F

PHAS INDICATORS
For the period 7/1/07 - 7/31/07

MU No.	Proj. No.	Project Name	AMP NO.	No. of Units	Placements	No. of Emerg. WO's	Abated within 24 hrs.	% Abated within 24 hrs.	# of Open Emerg. WO's	# of Non-Emerg. WO's	Avg. Days to Repair	# of Open Non-Emerg. WO's	No. of Units Inspect.	%	No. of Bldgs.	No. of Bldgs Inspect	%
MU 7	1004	Lanakila Homes I	HI001000037P	102	2	2	1	50%	1	23	22	22	0	0%	39	0	0%
	1013	Lanakila Homes II		42	2	3	2	67%	0	17	17	12	0	0%	11	0	0%
	1014	Lanakila Homes III		30	0	0	0	NA	0	0	0	0	0	0%	15	0	0%
	1104	Lanakila Homes IV		48	1	1	0	0%	0	28	27	28	0	0%	15	0	0%
	1051	Hale Aloha O Puna (E)		30	0	0	0	NA	0	25	27	22	0	0%	9	0	0%
	1052	Hale Olaloa (E)		50	0	2	2	100%	1	2	2	30	0	0%	26	0	0%
	1097	Kauhale O'Hanakahi		20	0	2	0	0%	1	65	29	29	0	0%	10	0	0%
	1045	Pahala (E)		24	1	0	0	NA	0	9	27	8	0	0%	6	0	0%
	1029	Pomaikai Homes (E)		20	0	0	0	NA	0	20	26	18	0	0%	2	0	0%
	1028	Punahele Homes		30	0	0	0	NA	0	24	25	24	0	0%	16	0	0%
		Total		396	6	10	5	50%	3	213		193	0	0%	149	0	0%
MU 8	1018	Kapaa	HI001000038P	36	1	1	1	100%	0	21	15	11	0	0%	20	0	0%
	1019	Hale Hoolulu (E)		12	0	0	0	NA	0	7	3	1	0	0%	5	0	0%
	1054	Hale Nana Kai O Kea (E)		38	0	1	1	100%	0	17	12	7	0	0%	20	0	0%
	1021	Hui O Hanamaulu		46	0	0	0	NA	0	14	13	4	0	0%	24	0	0%
	1022	Kalaheo		8	0	0	0	NA	0	3	1	0	0	0%	4	0	0%
MU 41	1064	Kekaha Ha'aheo		78	0	1	1	100%	0	16	4	2	0	0%	31	0	0%
	1020	Eleele Homes		24	0	1	1	100%	0	6	4	2	0	0%	12	0	0%
	1055	Hale Hoonanea		40	0	1	1	100%	0	10	5	0	0	0%	21	0	0%
	1023	Home Nani		14	0	0	0	NA	0	5	4	0	0	0%	2	0	0%
	1086	Kawailehua		25	1	0	0	NA	0	11	5	2	0	0%	4	0	0%
		Total		321	2	5	5	100%	0	110		29	0	0%	143	0	0%
MU 9	1017	Kahekili Terrace [A & B]	HI001000039P	82	0	0	0	NA	0	36	23	35	0	0%	15	0	0%
	1016	David Malo Circle		18	0	0	0	NA	0	10	23	9	0	0%	9	0	0%
	1092	Makani Kai Hale		25	0	0	0	NA	0	10	24	10	0	0%	8	0	0%
	1044	Piilani Homes (E)		42	0	0	0	NA	0	26	21	26	0	0%	9	0	0%
	1097	Makani Kai Hale II		4	0	0	0	NA	0	0	NA	0	0	0%	1	0	0%

PHAS INDICATORS
For the period 7/1/07 - 7/31/07

MU No.	Proj. No.	Project Name	AMP NO.	No. of Units	Placements	No. of Emerg. WO's	Abated within 24 hrs.	% Abated within 24 hrs.	# of Open Emerg. WO's	# of Non-Emerg. WO's	Avg. Days to Repair	# of Open Non-Emerg. WO's	No. of Units Inspect.	%	No. of Bldgs.	No. of Bldgs Inspect	%
	1088	Kahale Mua		25	0	0	0	NA	0	53	4	3	0	0%	9		0%
		Total		196	0	0	0	NA	0	135		83	0	0%	51	0	0%
MU 40	1010	Kuhio Park Terrace	HI001000040P	614	9	8	8	100%	0	136	4	17	0	0%	17	0	0%
	1007	Kuhio Homes		134	1	0	0	NA	0	37	7	7	0	0%	21	0	0%
		Total		748	10	8	8	100%	0	173		24	0	0%	38	0	0%
MU 43	1061	Ka Hale Kahaluu	HI001000043P	50	0	0	0	NA	0	0	0	0	0	0%	5	0	0%
	1053	Hale Hookipa (E)		32	0	0	0	NA	0	11	30	11	0	0%	8		0%
	1032	Kaimalino		40	1	0	0	NA	0	8	5	1	0	0%	12	0	0%
	1070	Kealakehe		48	0	1	1	100%	0	17	18	5	0	0%	5	0	0%
	1063	Nani Olu (E)		32	0	0	0	NA	0	11	18	6	0	0%	5	0	0%
		Total		202	1	1	1	100%	0	47		23	0	0%	35	0	0%
MU 44	1057	Waimaha-Sunflower	HI001000044P	130	3	0	0	NA	0	68	11	24	0	0%	10	0	0%
	1091	Kau'iokalani		50	2	5	3	60%	1	34	14	13	8	16%	13	0	0%
	1033	Maili I		20	0	4	0	0%	0	15	13	1	0	0%	20	0	0%
	1108	Maili II		24	1	1	0	0%	0	11	10	4	0	0%	18	0	0%
	1035	Nanakuli Homes		36	0	0	0	NA	0	20	15	8	0	0%	36	0	0%
		Total		260	6	10	3	30%	1	148		50	8	3%	97	0	0%
MU 45	1030	Koolau Village	HI001000045P	80	3	0	0	NA	0	66	3	2	0	0%	19	0	0%
	1072	Hookipa Kahaluu		56	0	0	0	NA	0	28	21	16	0	0%	8	0	0%
	1069	Kaneohe Apartments		24	1	14	12	86%	0	20	2	0	24	100%	2	2	100%
	1090	Kauhale O'hana		25	2	0	0	NA	0	11	14	4	21	84%	5	5	100%
	1025	Waimanalo Homes		41	0	0	0	NA	0	22	13	1	0	0%	41	0	0%
		Total		226	6	14	12	86%	0	147		23	45	20%	75	7	9%

PHAS INDICATORS
For the period 7/1/07 - 7/31/07

MU No.	Proj. No.	Project Name	AMP NO.	No. of Units	Placements	No. of Emerg. WO's	Abated within 24 hrs.	% Abated within 24 hrs.	# of Open Emerg. WO's	# of Non-Emerg. WO's	Avg. Days to Repair	# of Open Non-Emerg. WO's	No. of Units Inspect.	%	No. of Bldgs.	No. of Bldgs Inspect	%
MU 46	1078	Noelani II	HI001000046P	24	0	0	0	NA	0	54	29	53	0	0%	2	0	0%
	1031	Hale Hauoli (E)		40	0	1	0	0%	0	41	30	41	0	0%	11	0	0%
	1097	Ke Kumu 'Ekolu		20	0	0	0	NA	0	13	30	47	0	0%	3	0	0%
	1071	Noelani I		19	0	1	0	0%	0	32	29	32	0	0%	2	0	0%
		Total		103	0	2	0	0%	0	140		173	0	0%	18	0	0%
MU 49	1056	Kauhale Nani	HI001000049P	50	2	0	0	NA	0	18	6	0	0	0%	10	0	0%
	1015	Wahiawa Terrace		60	1	0	0	NA	0	17	5	0	0	0%	9	0	0%
	1050	Kupuna Home O'Waialua (E)		40	0	5	2	40%	2	36	11	13	40	100%	21	0	0%
		Total		150	3	5	2	40%	2	71		13	40	27%	40	0	0%
MU 80	1008	Palolo Valley Homes	HI001000050P	118	2	0	0	NA	0	16	16	9	0	0%	20	0	0%
		Total		5363													

EMERGENCY and ROUTINE WORK ORDER 2007

MU	Jan		Feb		March		April		May		June		July		Aug		Sept		Oct		Nov		Dec	
	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE	EMERGENCY	ROUTINE
1	0	44	7	49	1	101	2	100	2	90	1	9	3	38										
2	2	297	0	321	4	360	4	411	11	369	5	266	5	283										
3	0	957	11	1130	23	949	13	621	0	322	0	119	0	83										
4	0	100	3	105	8	90	20	224	3	156	1	17	0	19										
5	0	330	2	274	6	282	1	226	0	42	1	13	4	37										
7	1	191	1	98	31	170	2	182	2	180	9	166	2	165										
8	0	58	0	57	0	48	0	23	0	18	0	18	0	18										
9	0	13	0	17	1	32	0	26	0	45	0	57	0	48										
40	3	541	0	8	7	173	0	124	0	1	1	6	0	7										
41	0	0	0	0	4	25	0	1	0	0	0	0	0	0										
43	4	55	3	95	13	142	1	76	0	77	0	79	0	22										
44	1	167	4	131	0	99	1	157	14	251	0	300	1	18										
45	7	106	1	75	1	37	0	36	0	36	0	23	0	23										
46	11	98	0	100	2	107	2	113	10	105	19	133	0	172										
47	0	2	0	0	0	0	0	10	0	0	0	1	0	1										
49	0	6	1	1	0	0	1	4	0	0	0	3	2	0										
80	0	1	0	15	0	8	0	8	2	8	0	8	0	8										
TOTAL	29	2966	33	2476	101	2623	47	2342	44	1700	37	1218	17	942	0	0								

c: OED, CO, CMS, CAS

Emergency - More than 24 Hours

Routine - More than 25 Days

HPHA Appliance Contract Cost Analysis

PROS: The Procurement Office reviewed "bulk" appliance contract and determined that the bulk appliance contract is beneficial for the HPHA as follows:

1. Based on the cost comparison with 3 retail outlets, the contract with Pacific Appliance Group is reasonable. (See attached price list). In several instances the retail sales prices were less than the HPHA's contract price, but when you add the tax and delivery, installation and disposal fees, the HPHA contract provides a lower price to HPHA.
2. With a bulk contract, the maintenance staff do not have to deal with numerous makes and models. Maintenance training for new tenants can be more consistent and maintenance repairs are easier to handle.
3. Inquiries at the retail locations indicated that 14.0 c.f. refrigerators are generally special orders. You can find the 14.0 c.f. size at many locations, but most don't come with the Energy Star rating required for government purchases.
4. Under the contract, Pacific Appliance is responsible for draining the refrigerant from the old refrigerators and properly disposing of it. If HPHA had to provide labor to install and dispose, projected labor costs at \$21.33/hr for 1.5 man hours = \$32.00. Plus disposal fees \$9.00 for refrigerant. Total labor cost just to dispose the refrigerant would be \$41.00.
5. Based on our inquiries it was discovered that Lowes will not take orders for items that are out-of-stock. Management Units would need to keep checking if they have inventory of appliances. Sears and Home Depot will take orders for out of stock items, but have a minimum 30 day waiting period and require advanced payment.
6. Lowes carried cheaper appliances (20" and 30" gas and electric ranges) However, those models did not meet the minimum specifications. For example, the specifications required lights to indicate that a burner was on as a safety feature. The next higher model was the glass top (flat) ranges which would have well exceed the current contract prices.

CONS: One of the benefits of purchasing through the retail outlets is that they sometimes offer mail-in rebates of up to \$55 at these retail outlets.

EXHIBIT G

August 16, 2007

HPHA Appliance Contract
Cost Analysis

Information provided in response to Board inquiry.						
Description	Make & Model Number	Pacific Appliance Group (Contract 7/1/07 - 6/30/08)	Home Depot	Sears	Lowes	Whirlpool (on-line sales)
RANGES						
1 20" Free Standing Range, Electric	Make: Hotpoint	\$ 482.67	\$ 415.71	\$ 449.21	\$ 364.40	n/a
Delivery, installation and disposal	Model: RA720KWH	\$ 19.79	\$ 91.00	\$ 86.00	\$ 81.00	n/a
	Total	\$ 502.46	\$ 506.71	\$ 535.21	\$ 445.40	\$ -
2 24" Free Standing Range, Electric	Make: Hotpoint	\$ 461.78	\$ 445.03	\$ 553.93	available only	n/a
Delivery, installation and disposal	Model: RA724KWH	\$ 19.79	\$ 91.00	\$ 86.00	through special	n/a
	Total	\$ 481.57	\$ 536.03	\$ 639.93	order	\$ -
3 30" Free Standing Range, Electric	Make: General Electric	\$ 578.85	\$ 467.96	\$ 559.16	\$ 416.75	n/a
Delivery, installation and disposal	Model: JBS27DMWW	\$ 19.79	\$ 91.00	\$ 86.00	\$ 81.00	n/a
	Total	\$ 598.64	\$ 558.96	\$ 645.16	\$ 497.75	\$ -
4 30" Drop-In Range, Electric	Make: General Electric	\$ 725.08	\$ 751.83	\$ 616.74	available only	n/a
Delivery, installation and disposal	Model: JDS28WKWW	\$ 19.79	\$ 91.00	\$ 86.00	through special	n/a
	Total	\$ 744.87	\$ 842.83	\$ 702.74	order	\$ -
5 20" Free Standing Range, Gas	Make: Hotpoint	\$ 501.36	\$ 449.21	\$ 417.80	\$ 416.75	n/a
Delivery, installation and disposal	Model: RGA720EKWH	\$ 19.79	\$ 91.00	\$ 86.00	\$ 81.00	n/a
	Total	\$ 521.15	\$ 540.21	\$ 503.80	\$ 497.75	\$ -

HPHA Appliance Contract
Cost Analysis

Description	Make & Model Number	Pacific Appliance Group (Contract 7/1/07 - 6/30/08)	Home Depot	Sears	Lowes	Whirlpool (on-line sales)
6 30" Free Standing Range, Gas	Make: General Electric	\$ 580.52	\$ 519.82	\$ 574.87	\$ 542.41	n/a
Delivery, installation and disposal	Model: JGBS22WEKWW	\$ 19.79	\$ 91.00	\$ 86.00	\$ 81.00	n/a
	Total	\$ 600.31	\$ 610.82	\$ 660.87	\$ 623.41	\$ -
7 30" Slide-in Range, Gas	Make: General Electric	\$ 1,062.62	\$ 1,205.24	\$ 994.75	\$ 1,139.27	n/a
Delivery, installation and disposal	Model: JGSP28WEKWW	\$ 19.79	\$ 91.00	\$ 86.00	\$ 81.00	n/a
	Total	\$ 1,082.41	\$ 1,296.24	\$ 1,080.75	\$ 1,220.27	\$ -
REFRIGERATORS						
8 14.5 c.f. refrigerator, electric	Make: Whirlpool	\$ 559.63	none	\$ 629.00	\$ 664.62	\$ 665.66
Delivery, installation and disposal	Model: ET5WSEXSQ	\$ 19.79	none	\$ 95.00	\$ 90.00	\$ 100.32
	Total	\$ 579.42	\$ -	\$ 724.00	\$ 754.62	\$ 765.98
9 18.2 c.f. refrigerator, electric	Make: Whirlpool	\$ 709.16	\$ 728.16	\$ 752.88	\$ 675.03	\$ 743.79
Delivery, installation and disposal	Model: ET8WTEXMQ	\$ 19.79	\$ 100.00	\$ 95.00	\$ 90.00	\$ 100.32
	Total	\$ 728.95	\$ 828.16	\$ 847.88	\$ 765.03	\$ 844.11

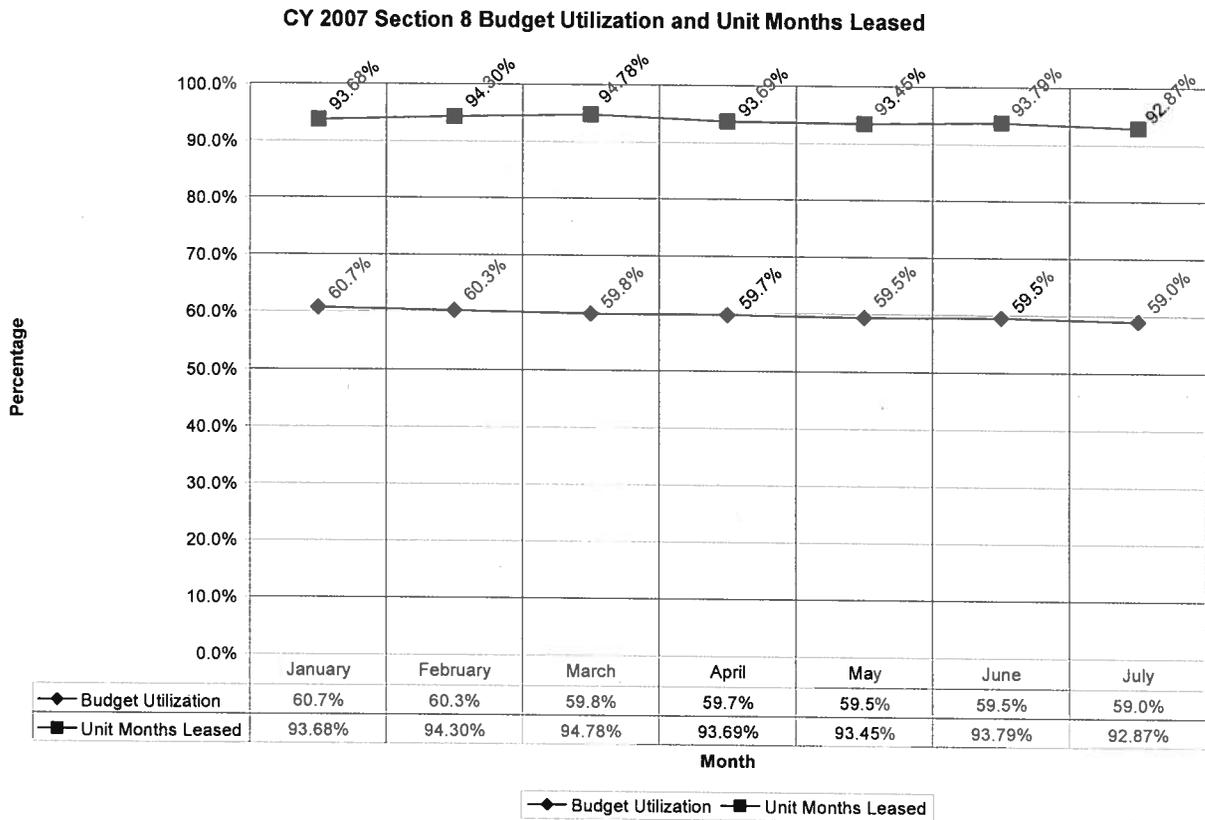
HPHA
Private Management Contracts
As of 7/31/07

Mgmt Unit	Contractor	Amount	Term	No. of Units	Site(s)
40	R&L Property Mgmt	\$9,367,476.00	8/1/07 - 7/31/10	748	Kuhio Park Terrace, Kuhio Homes, Ka Hale Kameha`ikana Resource Center
41	Urban Real Estate	\$151,096.00	8/1/07 - 11/30/07	181	Kekaha Haaheo, Eleele Homes, Hale Hoonanea, Home Nani, Kawailehua (Federal)
42	Hawaii Affordable Properties	\$349,020.00	8/1/07 - 7/31/08	247	Hale Poai, Halia Hale
43	Hawaii Affordable Properties	\$1,240,080.00	5/1/07 - 4/30/09	202	Ka Hale Kahaluu, Hale Hookipa, Kaimalino, Kealakehe, Nani Olu
44	Urban Real Estate	\$193,456.00	8/1/07 - 11/30/07	260	Waimaha-Sunflower, Kau`iokalani, Maili I, Maili II, Nanakuli Homes
45	Hawaii Affordable Properties	\$519,006.00	8/1/07 - 7/31/08	226	Koolau, Hookipa Kahaluu, Kaneohe Apartments, Kauhale Ohana, Waimanalo Homes
46	Hawaii Affordable Properties	\$923,328.00	6/1/07 - 5/31/09	129	Noelani I, Noelani II, Hale Hauoli, Ke Kumu Ekolu, Ke Kumu Elua
48	Hawaii Affordable Properties	\$240,528.00	8/1/07 - 7/31/08	112	Kamalu, Hoolulu
49	Hawaii Affordable Properties	\$606,096.00	8/1/07 - 7/31/08	258	Kauhale Nani, Laiola, Wahiawa Terrace, Kupuna Home O Waialua
80	Urban Real Estate	\$74,934.00	8/1/07 - 10/31/07	118	Palolo Valley Homes (To be absorbed by MU 4)

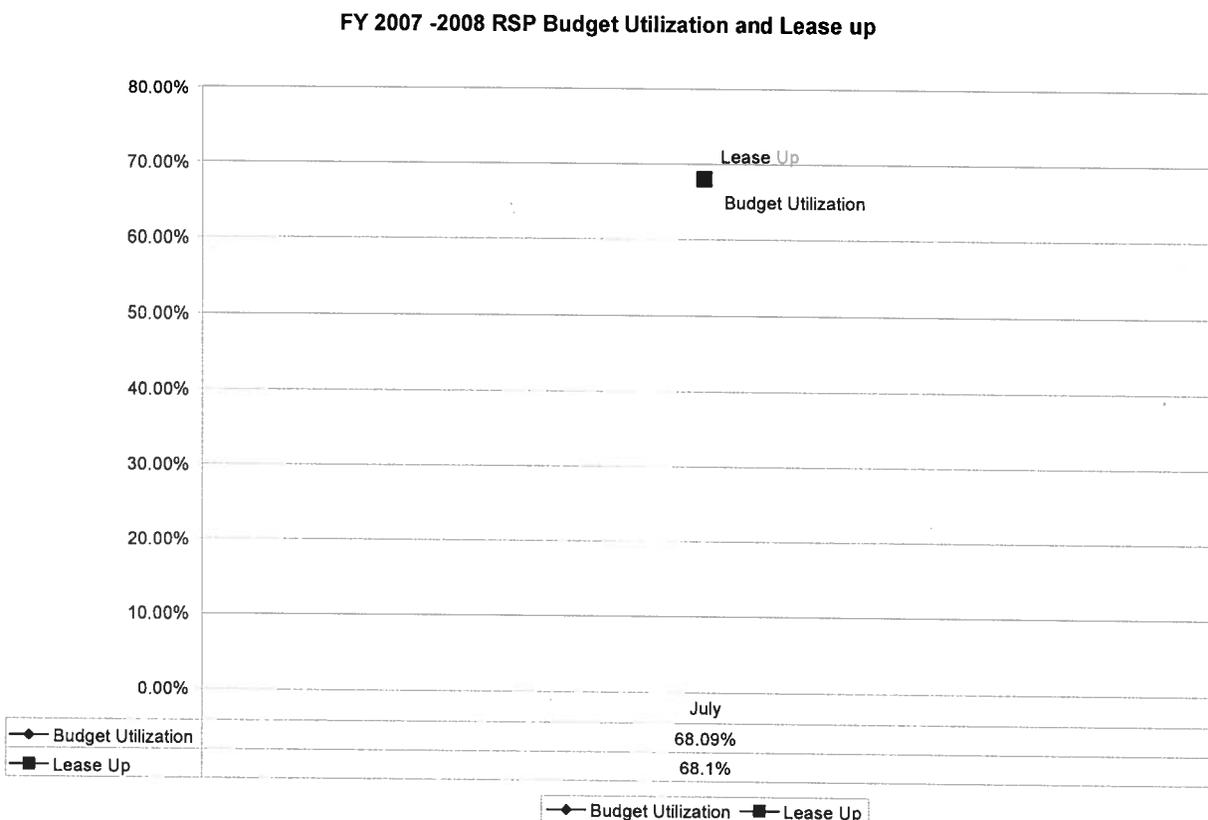
Section 8 Subsidy Programs Branch
Program Report

As of July 31, 2007

- For CY 2007, unadjusted monthly voucher lease up is 1,803 or 59%. The Housing Assistance Payments (HAP) unadjusted budget utilization average is 92.87%. The monthly average per unit cost subsidy is \$747.00 per month.



- There are 363 Rent Supplement Program participants. The budget utilization average is 68.09% with the average per unit cost of \$150.00 per month.



HOMELESS PROGRAMS BRANCH
MONTHLY STATUS REPORT
August 2007

I. Contracts for FY 2008

A. Attached are lists of contracts that the Homeless Programs Branch (HPB) drafted for execution in the month of July, effective August 1, 2007 through July 31, 2008. Contracts for the State Homeless Programs stipend, outreach and grant programs total \$13,850,114.

The contracts are awaiting encumbrance pending a request to the Governor from HPHA to allocate 90% of FY 2008 allocated funds in the first quarter. At present, pursuant to the Governor's budget execution policy, State funds for HPB have been allocated in quarterly increments through the fiscal year.

B. Additionally, six agencies were contracted for the Housing Placement Program utilizing \$2,763,324 in federal Temporary Assistance to Needy Family (TANF) funds:

- Catholic Charities Hawaii (Oahu) - \$913,324
- Institute for Human Services (Oahu) - \$330,000
- Waianae Community Outreach (Oahu) - \$300,000
- Family Life Center (Maui) - \$330,000
- Office of Social Ministry (Hawaii) - \$600,000
- Kauai Economic Opportunity - \$290,000

C. HPB is continuing with the contracting process for HUD's Emergency Shelter Grant Program totaling \$222,610 and Housing Opportunities for Persons with AIDS totaling \$155,200.

II. HPHA Board and Legislative Tour

A tour of newly created homeless shelters and public housing on the Waianae Coast was requested by Senator Suzie Chun Oakland for August 21, 2007. The itinerary for the day is as follows:

8:30	Pickup from the State Capitol	
9:30	Kalaeloa	Tour the mobile preschool program Walk through Onemaulu and Onelauena family shelters Motor tour through Kalaeloa to point out US Vets housing and planned renovations for Bldg. 36 for homeless housing
12:00	Lunch	Working lunch at Pai'olu Kaiaulu - HEART Leeward Coast Presentation by Kaulana Park
2:00	Waianae	Tour of Pai'olu Kaiaulu Tour of Kauiokalani Public Housing
3:30	Start back to the State Capitol	

All Board members and the Legislature are invited to attend. RSVPs are due immediately.

State Homeless Shelter Stipend Program
Proposal Evaluation Worksheet - FY 2008

	Provider/Shelter	Island Area	Program Overview	Experience & Capability	Project Org & Staffing	Service Delivery	Financial	Total Score	Agency Rank	Stipend Rates Total	FY 2007 Funding	FY 2008 Proposal Request	FY 2008 Award	Comments
1	Affordable Housing and Homeless Alliance Next Step Shelter (Transitional)	Oahu Kakaako	5	17	12	30	12	76	16	900,000.00 900,000.00	954,329.84 954,329.84	1,049,018.00 1,049,018.00	900,000.00 900,000.00	
2	Alternative Structures International Ohana Ola O' Kahumana (T)	Oahu Waianae	5	20	15	35	10	85	10	403,200.00 403,200.00	248,850.00 248,850.00	403,200.00 403,200.00	403,200.00 403,200.00	shelter expansion; few vacancies
3	Catholic Charities Hawaii Ma'ilani (T) Kawaihae (T)	Oahu/Big Island Waianae Kawaihae	5 5	20 20	15 15	40 39	15 15	95 94	2	481,200.00 303,600.00 177,600.00	490,000.00 300,000.00 190,000.00	605,446.00 383,842.00 221,604.00	481,200.00 303,600.00 177,600.00	
4	Faith Against Drugs, Inc. (T)	Big Island/Hilo	5	15	11	35	10	76	16	144,000.00	132,000.00	157,640.00	132,000.00	
5	Family Life Center Ho'olanani (Emergency)	Maul Wailuku	5	20	13	30	18	86	9	204,400.00 204,400.00	77,000.00	76,996.00	77,000.00 77,000.00	
6	Family Promise of Hawai'i Windward Family Center (E) Honolulu Family Center (E)	Oahu Kailua Downtown	5 5	20 20	12 12	30 30	10 10	77 77	15	153,300.00 51,100.00 102,200.00	-	132,860.00	40,000.00 40,000.00	New Agency
7	Gregory House Programs (T) Gregory House (T) Waipahu Homes (T)	Oahu Makiki Waipahu	5 5	20 19	15 15	40 30	20 19	100 88	3	144,000.00 66,000.00 78,000.00	70,000.00 70,000.00	163,600.00 70,000.00 93,600.00	126,000.00 66,000.00 60,000.00	
8	Hale Kipa, Inc. TLP Young Men's, Keeaumoku (T) TLP Young Men's, Makena (T) TLP Young Women's, Apsa (T)	Oahu Makiki Ewa Ewa	5 5 5	17 17 17	15 15 14	38 37 30	15 15 15	87 90 89 81	8	72,000.00 14,400.00 28,800.00 28,800.00	40,000.00 15,000.00 25,000.00	36,481.00 11,787.00 12,347.00 12,347.00	36,481.00 11,787.00 12,347.00	
9	Holo Loa's, Inc. Onemalu (T) Weinberg Village, Waimanalo (T)	Oahu Kalaheo Waimanalo	5 5	20 18	14 14	40 39	13 13	91 82 89	5	596,400.00 338,400.00 258,000.00	582,000.00 332,000.00 250,000.00	630,800.00 346,582.00 428,218.00	670,800.00 386,400.00 284,400.00	
10	Housing Solutions, Inc. Kulaokahua (T) Loliana (T) Nakolea (T) Vancouver (T)	Oahu Makiki Kakaako McCully Manoa	5 5 5 5	18 18 17 18	13 13 13 13	35 35 35 35	14 14 14 14	85 85 84 85	10	1,063,200.00 180,000.00 252,000.00 384,000.00 247,200.00	790,700.00 139,500.00 252,000.00 199,000.00 200,200.00	865,500.00 155,500.00 305,000.00 200,000.00 205,000.00	800,000.00 140,000.00 255,000.00 200,000.00 205,000.00	
11	Institute for Human Services 546 Ka'aahi (E) 350 Sumner (E)	Oahu Honolulu Honolulu	5 5	20 20	13 13	36 38	15 15	89 91	7	2,263,000.00 876,000.00 1,387,000.00	1,500,000.00 600,000.00 900,000.00	2,111,400.00 901,000.00 1,210,400.00	1,900,000.00 800,000.00 1,100,000.00	
12	Kauai Economic Opportunity Komohana Group Home (T) Lihue Court (T) Emergency Shelter (E) Transitional Shelter (T)	Kauai Lihue Lihue Lihue Lihue	5 5 5 5	20 20 17 17	14 14 14 14	39 39 30 30	17 18 20 20	91 95 96 86 86	5	277,600.00 36,000.00 67,200.00 116,800.00 57,600.00	111,800.00 39,000.00 72,800.00	491,585.00 36,278.00 113,472.00 299,071.00 42,764.00	100,000.00 36,000.00 64,000.00 0.00 0.00	GIA Funds GIA Funds
13	Maul Economic Concerns of the Community, Inc. Ka Hale A e Ola Homeless Resource Center (E) Ka Hale A Ke Ola Homeless Resource Center (T) Na Hale O Wainee Resource Center (E) Na Hale O Wainee Resource Center (T)	Maul Wailuku Wailuku Lahaina Lahaina	5 5 5	20 20	13 13	31 31	15 15	84 84 84	12	1,467,600.00 306,600.00 508,800.00 306,600.00 345,600.00	1,197,849.00 756,355.00 441,494.00	1,118,747.00 703,078.00 415,669.00	1,467,600.00 815,400.00 0.00 652,200.00 0.00	
14	Mental Health Kokua Safe Haven (T)	Oahu Downtown	5	20	15	40	20	100	1	150,000.00 150,000.00	145,000.00 145,000.00	150,000.00 150,000.00	130,000.00 130,000.00	
15	Office for Social Ministry Beyond Shelter (T) Kihei Pua Emergency Shelter Wilder House	Big Island Hilo Hilo Hilo	5 5 5	17 17 17	11 12 12	30 30 30	18 18 18	82 81 82 82	14	605,500.00 63,800.00 576,700.00 28,800.00	230,000.00 60,000.00 170,000.00	365,600.00 336,800.00 28,800.00	365,600.00 336,800.00 28,800.00	Request = E/T
16	River of Life Mission, Inc. Outreach Lighthouse Center AOG (E)	Oahu Waipahu	5	14	11	24	15	69	19	620,500.00 620,500.00	402,895.00 402,895.00	450,352.00 450,352.00	375,290.00 375,290.00	
17	Steadfast Housing Hale Ulu Pono (T)	Oahu Kalaheo	5	18	15	40	15	93	4	156,000.00 156,000.00	75,000.00 75,000.00	75,000.00 75,000.00	75,000.00 75,000.00	
18	United States Veterans Initiative Waianae Civic Center (T) United States Veterans Initiative - Hawaii (T)	Oahu Waianae Kalaheo	5 5	18 18	14 14	30 30	15 15	82 82	13	2,157,500.00 2,007,500.00 150,000.00	986,220.00 986,220.00	3,057,488.61 2,699,657.19 357,831.42	2,150,000.00 2,000,000.00 150,000.00	
19	Waianae Community Outreach Onelaena (E/T)	Oahu Kalaheo	5	17	10	26	10	68	20	1,679,000.00 1,679,000.00	670,342.00 670,342.00	855,003.00 855,003.00	712,500.00 712,500.00	
20	Women in Need WIN Family Resource Center (T)	Oahu Waianae	5	17	13	30	10	75	18	36,000.00 36,000.00	-	336,600.00 336,600.00	36,000.00 36,000.00	New Agency
TOTAL STIPEND:											8,703,985.84	13,133,316.61	11,018,671.00	

NOTE:
Several agencies tied in score/rank (E, 10 and 16)

Fiscal Year 2008

State Homeless Outreach Program

	requested amount	awarded amount
Total: 8 agency, total awards:	\$2,853,833.00	\$2,486,443.00
Family Life Center, Inc.	\$136,109.00	\$100,000.00
Kalihi Palama Health Center	\$608,000.00	\$450,000.00
Kauai Economic Opportunity, Incorporation	\$141,981.00	\$100,000.00
Office for Social Ministry	\$750,000.00	\$750,000.00
The Salvation Army - Maui County	\$340,000.00	\$310,000.00
Waianae Coast Comprehensive Health Center	\$86,700.00	\$86,700.00
Waianae Community Outreach	\$289,743.00	\$289,743.00
Waikiki Health Center, Care-A-Van Program	\$501,300.00	\$400,000.00

State Homeless Emergency Loans and Grant Program

	requested amount	awarded amount
Total: 1 agency, total awards:	\$345,000.00	\$345,000.00
The Salvation Army, Family Services Office	\$345,000.00	\$345,000.00

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of August 6, 2007

Pos. No.	CS EX TA	Authorized Position Title	Auth BU	Auth Class Code	Auth Sal Rnge	STATUS
OFFICE OF THE EXECUTIVE DIRECTOR						
106012	EX	Executive Assistant	93	23.001	SRNA	Advertised state-wide newspaper 7/22/07 and HPHA website; COB 08/07/07.
FISCAL MANAGEMENT OFFICE						
41041	CS	Fiscal Officer	93	2.330	SR26	Recommendation made; applicant declined and will request another listing from DHRD.
41253	CS	Secretary II	63	1.149	SR14	Supervisor and HPHA Personnel is currently reviewing position description.
42097	CS	Account Clerk III	03	1.338	SR11	No action, cost savings.
41252	CS	Accountant IV	13	2.318	SR 22	Internal Vacancy Announcement announced 7/29/07. Closes 8/8/07.
92003B	T	Account Clerk II	03	1.337	SR08	No action, cost savings.
97902K	T	Account Clerk III	03	1.338	SR11	No action, cost savings.
96907K		Asset Mgmt Contract Spclt				Variance and establish as Financial Advisor.
97901K		Clerk III	03	1.007	SR08	Position not established; cost savings.
BUDGET STAFF						
41267	CS	Prog Budget Analyst IV	73	2.924	SR22	HPHA Personnel is currently reviewing position description.
INFORMATION TECHNOLOGY OFFICE						
100924	EX	HPHA Systems Analyst	13	22.002	99	Continuous recruitment via HPHA website; announced in newspaper 7/22/07, and COB 8/7/07.
105642	EX	HPHA Systems Analyst	13	22.002	99	Continuous recruitment via HPHA website; announced in newspaper 7/22/07, and COB 8/7/07.
PERSONNEL OFFICE						
51784	CS	Clerk Typist II	03	1.036	SR08	No action, cost savings.
PLANNING OFFICE						
102034	EX	Housing Planner (Supervisor)	13	22.002	SR22	No Action; cost savings.
107934	EX	Housing Planner	13	22.002	99	Applicant selected; pending start date.
97903K	CS	Clerk Typist II	03	1.036	SR08	HPHA is currently reviewing position description.
PROCUREMENT OFFICE						
100882	EX	Contracts & Proc Ofcr	13	22.002	SRNA	Temporary Assigned HPHA staff.
31664	CS	Proc & Supply Spclt III	13	2.611	SR20	No action, cost savings.
117691	EX	Contract Specialist	22	22.002	SRNA	Continues recruitment via HPHA website; announced in newspaper 7/22/07 and COB 8/7/07.
CONSTRUCTION MANAGEMENT BRANCH						
25649	CS	State Hsg Dev Admin	93	17.352	EM07	No action, cost savings.
2800	CS	Secretary IV	63	1.151	SR18	No action, cost savings.
102205	SH	Student Helper II	00	44.205	NA	No action, cost savings.
Construction Management Section						
5857	CS	Secretary II	03	1.149	SR14	DHS is currently reviewing position description.

EXHIBIT 5

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of August 6, 2007

Pos. No.	CS EX TA	Authorized Position Title	Auth BU	Auth Class Code	Auth Sal Rnge	STATUS
Construction Management Unit 1						
103024	EX	Contract Admin	13	22.002	99	Supervisor and HPHA Personnel is currently reviewing position description.
100439	EX	Hsg. Warr/Insp. Asst.	03	21.003	SRNA	Supervisor and HPHA Personnel is currently reviewing position description.
100202	EX	Property Management Asst	13	23.318	SRNA	Supervisor and HPHA Personnel is currently reviewing position description.
Construction Management Unit 2						
102676	EX	Housing Development Specialist I	13	22.002	99	Supervisor and HPHA Personnel is currently reviewing position description.
Development Support Section						
100886	EX	Hsg Dev Spclt I	13	22.002	99	Supervisor and HPHA Personnel is currently reviewing position description.
PROPERTY MANAGEMENT AND MAINTENANCE SERVICES BRANCH						
101072	EX	Public Hsg Manager VII	93	23.002	SRNA	Interviews scheduled 8/2 and 8/6/07.
96904K		Hsg Maintenance Manager	13		SR26	No action, cost savings.
96905K		Secretary II	03	1.149	SR14	No action, cost savings.
32210	CS	Clerk Typist II	03	1.036	SR08	No action, cost savings.
CENTRAL MAINTENANCE SERVICES						
5647	CS	Clerk IV	03	1.008	SR10	No action, cost savings.
6728	CS	General Laborer II	01	9.010	BC03	No action, cost savings.
6787	CS	Heavy Truck Driver	01	10.745	BC07	DHS currently reviewing position description.
105751	TA	Clerk I	63	21.006	SR04	No action, cost savings.
MANAGEMENT UNIT 1						
105749	TA	Social Service Aide I	63	23.005	SRNA	No action, cost savings.
5951	CS	Carpenter I	01	10.010	BC09	Appliant selected, pending hire date.
6305	CS	Building Maintenance Worker I	01	10.240	BC09	Recommendation made, pending start date.
42292	CS	Social Svc. Asst. IV	03	3.075	SR11	Applicant declined; received eligible listing and will interview end of July.
MANAGEMENT UNIT 2						
21546	CS	Public Hsg Spclt IV	23	3.712	SR22	Supervisor and HPHA Personnel is currently reviewing position description.
30242	CS	Clerk III	03	1.007	SR08	Supervisor and HPHA Personnel is currently reviewing position description.
9203	CS	Account Clerk II	03	1.337	SR11	Recommendation made; pending hire date.
2806	CS	Building Maint. Helper	01	10.235	BC05	No action, cost savings.
6642	CS	Truck Driver	01	10.740	BC06	Supervisor is currently reviewing position description.
MANAGEMENT UNIT 3						
5035	CS	Public Hsg Supervisor IV	23	3.712	SR22	DHS currently reviewing position description.
6281	CS	Gen Const & Maint Spvr I	02	10.215	F1 10	Applicant declined, pending eligible list.
8834	CS	Bldg Maint Wkr I	01	10.240	BC09	Interview will be schedule this month.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of August 6, 2007

Pos. No.	CS EX TA	Authorized Position Title	Auth BU	Auth Class Code	Auth Sal Rnge	STATUS
46195	CS	Social Service Asst IV	3	3.075	SR11	Employee transferred to MU 5 eff 8/7/07.
8843	CS	Bldg Maint Wkr I	01	10.240	BC09	Applicant selected, pending hire date.
8851	CS	Bldg Maint Wkr I	01	10.240	BC09	Applicant selected, pending hire date.
101117	TA	General Laborer I	61	29.008	SRNA	No action, cost savings.
101118	TA	General Laborer I	61	29.008	SRNA	No action, cost savings.
105745	TA	General Laborer I	61	29.008	SRNA	No action, cost savings.
8760	CS	Painter I	01	10.090	BC09	Supervisor and HPHA Personnel is currently reviewing position description.
MANAGEMENT UNIT 4						
6693	CS	Public Hsg Spvr IV	23	3.712	SR22	Interviews will be conduct this month.
6729	CS	General Laborer I	01	9.005	BC02	Recommendation made. Pending start date.
39983	CS	General Laborer I	01	9.005	BC02	Recommendation made. Pending start date.
101127	TA	Social Service Aide I	63	23.005	SRNA	No action, cost savings.
105744	TA	Social Service Aide I	61	29.008	SRNA	No action, cost savings.
MANAGEMENT UNIT 5						
9204	CS	Public Hsg. Supr IV	23	3.712	SR22	No Action; cost savings.
41666	CS	Public Hsg Spclt I	13	3.708	SR16	Applicant selected, start date is 8/20/07.
23698	CS	Public Hsg Spclt I	13	3.708	SR16	Interviews scheduled this month.
41350	CS	Painter I	01	10.090	BC09	Supervisor and HPHA Personnel is currently reviewing position description.
43948	CS	General Laborer II	01	9.010	BC03	No Action; cost savings.
12703	CS	General Laborer II	01	9.010	BC03	No Action; cost savings.
15486	CS	General Laborer I	01	9.005	BC02	No Action; cost savings.
MANAGEMENT UNIT 7						
6931	CS	Bdg Maint. Supervisor I	02	10.250	F109	Pending eligible listing from DHS.
28995	CS	Public Hsg Spclt I	13	3.706	SR16	Internal Announcement posted 7/29/07, closes 8/8/07.
101113	TA	General Laborer I	61	29.008	SRNA	Applicant selected; pending start date.
101112	TA	General Laborer I	61	29.008	SRNA	Applicant selected; pending start date.
MANAGEMENT UNIT 8						
102241	TA	General Laborer I	61	29.008	SRNA	No action, cost savings.
102242	TA	General Laborer I	61	29.008	SRNA	No action, cost savings.
101124	TA	Social Service Aide I	61	29.008	SRNA	No action, cost savings.
MANAGEMENT UNIT 9						
23050	CS	Public Hsg Spvr III	13	3.710	SR20	Supervisor and HPHA Personnel is currently reviewing position description.
45873	CS	Social Services Asst. IV	3	3.075	SR 11	Pending eligible listing from DHRD.
101121	TA	General Laborer I	61	29.008	SRNA	No action, cost savings.
101122	TA	General Laborer I	61	29.008	SRNA	No action, cost savings.
101134	TA	Clerk I	63	21.006	SR04	No action, cost savings.

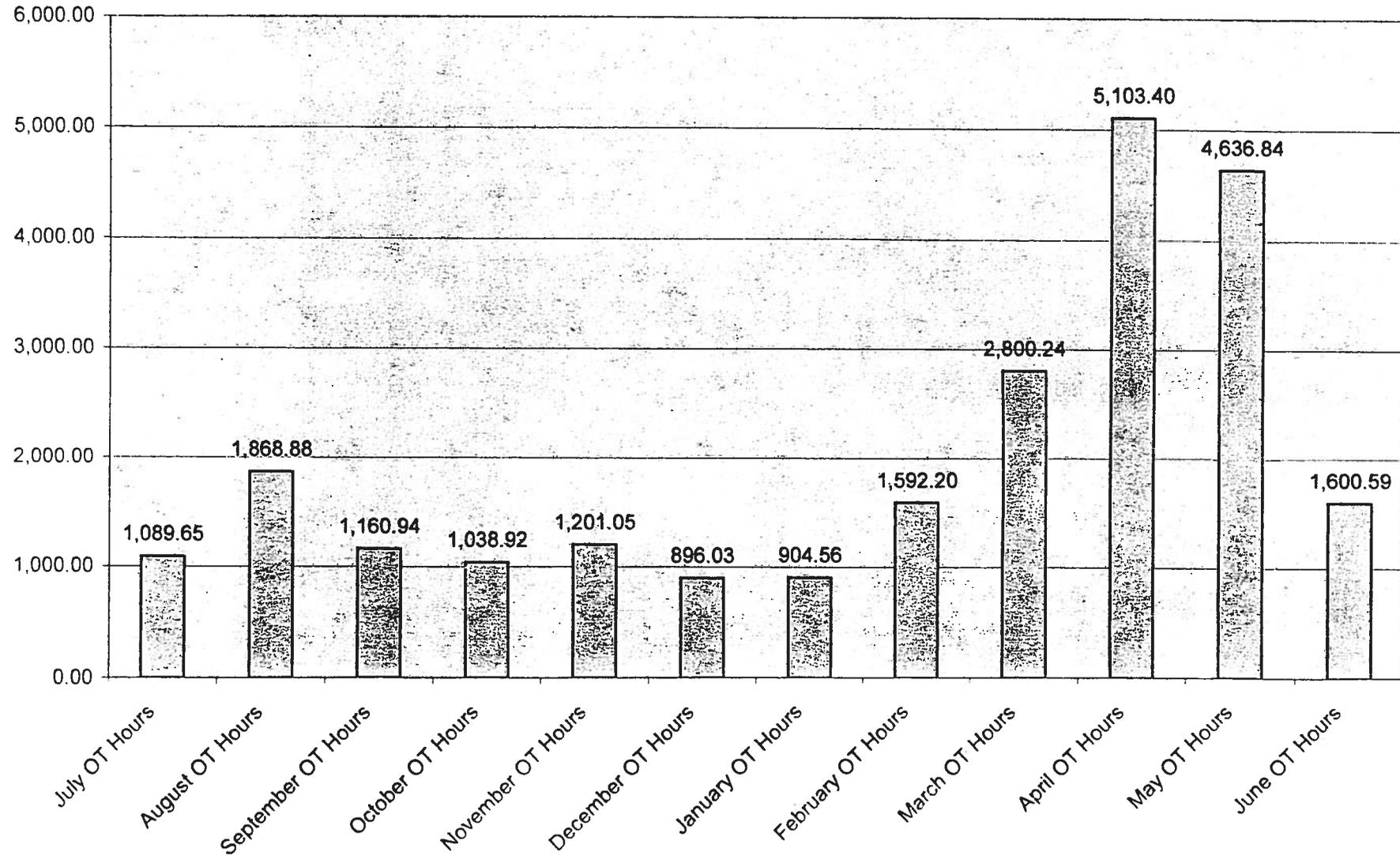
HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of August 6, 2007

Pos. No.	CS EX TA	Authorized Position Title	Auth BU	Auth Class Code	Auth Sal Rnge	STATUS
PRIVATE MANAGEMENT CONTRACTS SECTION (PMCS)						
117929	EX	Property Management Specialist	13	23.002	SR22	Recommendation made; applicant declined.
102048	EX	Property Management Specialist	13	23.002	SR22	No action, cost savings.
96903K		Clerk III	03	1.007	SR08	No action, cost savings.
RESIDENT SERVICES SECTION						
51818	CS	Clerk Typist II	03	1.036	SR08	No action, cost savings.
103043	TA	Social Service Aide I	63	23.005	SR05	No action, cost savings.
103036	EX	Prog Spclt & Tnt Svc	13	23.002	99	Continues recruitment via HPHA website; announced in newspaper 7/22/07 and COB 8/7/07.
111874	EX	Prog Spclt & Tnt Svc	13	23.002	99	No action, cost savings.
INSPECTION UNIT						
111494	EX	Housing Inspector	13	23.005	99	Advertised in Star Bulletin 7/2/07; continuous recruitment via HPHA website.
100572	EX	Housing Inspector	13	23.005	99	No action, cost savings.
101130	TA	Clerk I	63	21.006	SR04	No action, cost savings.
RENT SUBSIDY SECTION 1						
29009	CS	Clerk Typist II	03	1.036	SR08	Recommendation made. Pending start date.
23029	CS	Public Hsg Spclt II	13	3.708	SR18	Supervisor and HPHA Personnel is currently reviewing position description.
28655	CS	Clerk Typist II	03	1.036	SR08	Interviews scheduled this month.
RENT SUBSIDY SECTION 2						
10306	CS	Clerk Typist II	03	1.036	SR08	Recommendation made. Pending start date.
28654	CS	Clerk Typist II	03	1.036	SR08	Interviews scheduled for this month.
101132	TA	Clerk I	63	21.006	SR04	No action, cost savings.
35416	CS	Public Hsg Spclt II	13	3.708	SR18	No action, cost savings.
111465	CS	Public Hsg Spclt II	13	3.708	SR18	Supervisor and HPHA Personnel is currently reviewing position description.
111467	CS	Public Hsg Spclt II	13	3.708	SR18	No action, cost savings.
111468	CS	Public Hsg Spclt II	13	3.708	SR18	No action, cost savings.
111469	CS	Public Hsg Spclt II	13	3.708	SR18	Supervisor and HPHA Personnel is currently reviewing position description.

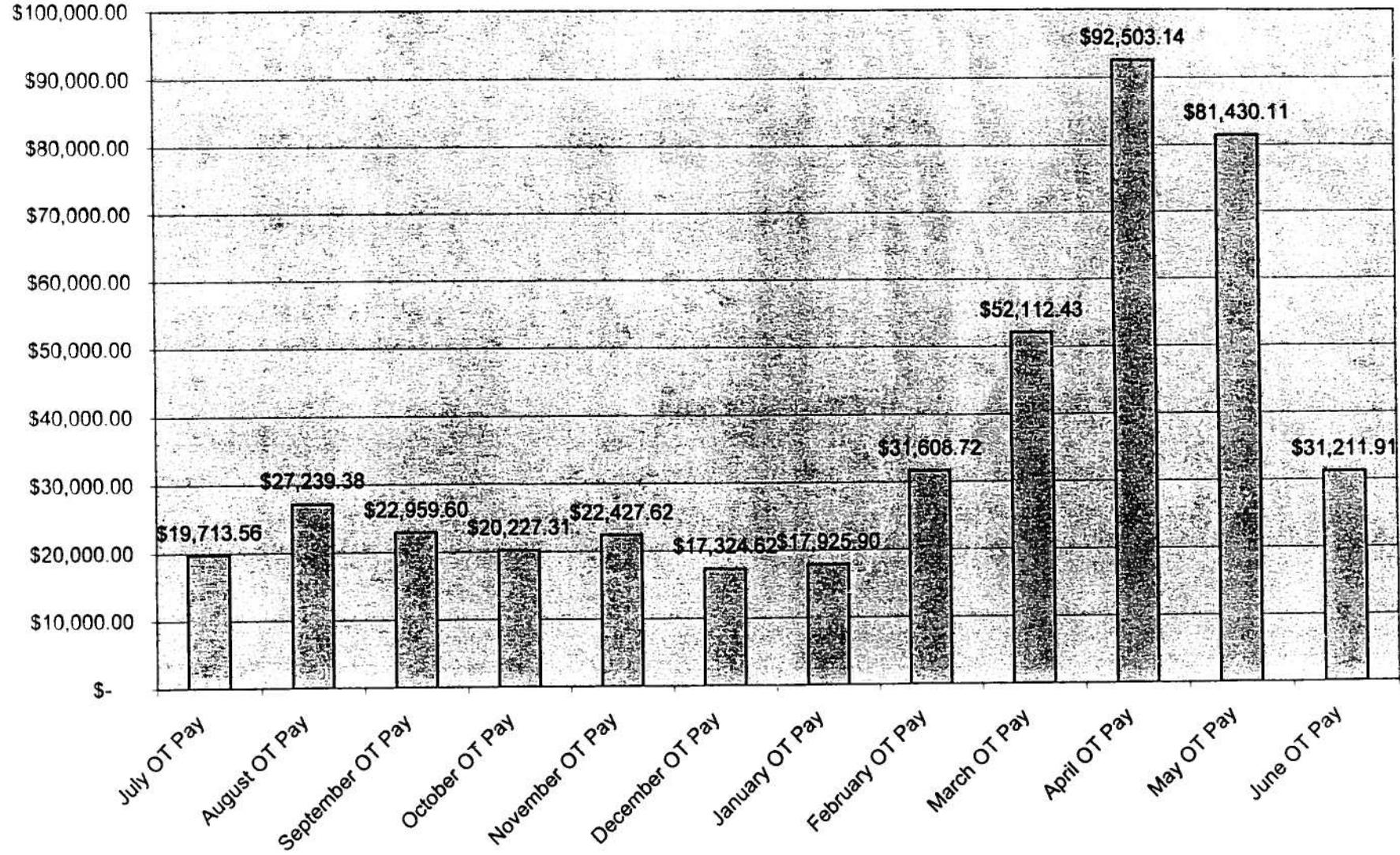
**DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY (HPHA)
MANPOWER REPORT
As of August 6, 2007**

Branch	Section	Total Full Time Positions			% Vacant			Active Recruitment	
		Civil Svc	Exempt	Total	Occupied	Vacant	Vacant	Yes	No
OED		5	2	7	6	1	14.29%	1	0
		5	2	7	6	1	14.29%	1	0
PEO		1	2	3	1	2	66.67%	0	2
		1	2	3	1	3	66.67%	0	3
CO		2	2	4	4	0	0.00%	0	0
		2	2	4	4	0	0.00%	0	0
HIO		0	2	2	2	0	0.00%	0	0
		0	2	2	2	0	0.00%	0	0
HRO		1	2	3	3	0	0.00%	0	0
		1	2	3	3	0	0.00%	0	0
FMO	FM Office	4	0	4	1	3	75.00%	0	3
	Acctg Sec	11	0	11	8	3	27.27%	1	2
	Pay & Disb	4	0	4	3	1	25.00%	0	1
	Budget	1	1	2	1	1	50.00%	1	0
	Asset Mgt	1	1	2	0	2	100.00%	0	2
		21	2	23	13	10	43.48%	2	8
ITO		1	5	6	4	2	33.33%	2	0
		1	5	6	4	2	33.33%	2	0
PERS		4	1	5	4	1	20.00%	0	1
		4	1	5	4	1	20.00%	0	1
PO		6	3	9	5	4	44.44%	1	3
		6	3	9	5	3	44.44%	1	2
DEV	Dev Branch	2	0	2	0	2	100.00%	0	2
	CMS	3	0	3	2	1	33.33%	0	1
	CMS I	2	7	9	6	3	33.33%	2	1
	CMS 2	4	3	7	6	1	14.29%	1	0
	DSS	1	2	3	2	1	33.33%	0	1
		12	12	24	16	8	33.33%	3	5
HPB	Homeless	1	8	9	9	0	0.00%	0	0
		1	8	9	9	0	0.00%	0	0
SEC 8	Sec 8 Office	2	0	2	2	0	0.00%	0	0
	Insp Unit	1	7	8	6	2	25.00%	0	2
	Rent Sub Sec 1	14	0	14	12	2	14.29%	2	0
	Rent Sub Sec 2	13	0	13	7	6	46.15%	3	3
		30	7	37	27	10	27.03%	5	5
PMMSB	PMMSB	3	2	5	1	4	80.00%	1	3
	MGT SEC	2	0	2	2	0	0.00%	0	0
	APP	7	0	7	7	0	0.00%	0	0
	RSS	3	8	11	9	2	18.18%	0	2
	PMCS	2	5	7	6	1	14.29%	0	1
	CMSS	24	0	24	21	3	12.50%	0	3
	OAHU 1	25	0	25	24	1	4.00%	1	0
	OAHU 2	28	0	28	24	4	14.29%	2	2
	OAHU 3	35	0	35	30	5	14.29%	4	1
	OAHU 4	25	0	25	24	1	4.00%	1	0
	OAHU 5	31	0	31	25	6	19.35%	4	2
	HAWAII 7	15	0	15	14	1	6.67%	1	0
	KAUAI 8	10	0	10	10	0	0.00%	0	0
MAUI 9	13	0	13	11	2	15.38%	2	0	
		220	13	233	207	26	11.16%	15	11
TOTAL		304	61	365	301	64	17.53%	29	35

HPHA OT HOURS - FY 07



HPHA OT PAY - FY 07



OUTLINE OF SIGNIFICANT ITEMS
FOR THE MONTH OF JULY, 2007
COMPLIANCE OFFICE

I. ACCOMPLISHMENTS

1. Submitted Supervisors Review Log, Error Analysis Report and Income Discrepancy (ID) Report to HUD.
2. Coordinated and audited information needed for Public Housing Assessment System (PHAS) certification.
3. Prepared For Action & Resolution for the self certification of the Management Assessment Subsystem (MASS) for PHAS.
4. Prepared IP response to HUD.
5. Received 14 Reasonable Accommodation requests from MU's.
6. Assisted with review of MU 40 Management proposal.
7. Reviewed vacated and current TARS and sent to MU's for status. Worked on write off procedures.
8. Processed 3 write offs (\$5,382) for MU 7.
9. Assisted PMMSB with review of proposed admin rules and VAWA.
10. Assisted FMO with GL data entry input.
11. Met with APPS to review processing procedures to train MU 43 and MU 46 staff with the process.
12. Coordinated relocation of staff to Building E.
13. Worked with CM on wiring for Building L.

EXHIBIT K

Information Technology Office Status Report – Aug 2, 2007

Staffing

Two ITO positions are still vacant. Reviewing resumes.

Direct Connection to State Network

A formal request has been filed through the Information and Communication Services Division to begin work on a high speed direct fiber connection between the Hawaii Public Housing Authority's (HPHA) data center at School St. and the Department of Human Services building on Miller St. A purchase order for \$100,350 was sent directly to Oceanic Time Warner Cable.

This new high speed fiber optic line will connect HPHA directly to the State's network backbone, and allow faster more reliable data connections.

Network Cabling at School St

Trenching for new conduits was completed on 7/30/07 by the electrical contractor. They are still waiting for the electrical box to be delivered. Hawaiian Telcom has received our telecom request for upgrading the network cabling within the School St campus, but cannot proceed until the new electrical box is installed.

A separate network cable was installed on 7/27/07 to connect building L (FIC) to building D. This connection is approximately 400 feet, and provides accounting staff in the main room with reliable high speed access to the HPHA network.

Building E has also been connected to the network, and almost all of the offices have a wired connection. The central office area will be connected with wireless equipment.

Accounting - Emphasys

Nancy McWatters of Emphasys will be back on site from August 6 – 24, 2007, to provide more consulting and training for the Accounting staff.

The status of the GL is as follows:

July 2006 has been posted.

Data from August 06 through April 07 has been imported, and is in balance.

Interfunding has been a problem, but as of 8/1 the data from HPHA and HHFDC (funds 395 & 397) are now in separate GL files.

The following information came from David Birr, President, Synchronous Energy Solutions, Inc., who is an expert in Energy Performance Contracting (EPC). He was hired by the Department of Business, Economic Development and Tourism (DBEDT) in response to questions from Board member and staff.

1) Investment Grade Audit:

Audit costs are variable depending to recover those costs later, in which case they may lowball their audit costs as a selling point. Personally, I prefer an open book pricing where there is cost transparency. Upon whether the Energy Services Companies (ESCO) is trying to recover its actual costs for doing the audit or is planning

Based on many PHA projects of similar size to yours, I would expect audit costs to run between \$25 and \$35/unit, if your data on units and utilities is in decent shape. Probably, closer to the \$35/unit price for you due to your location, which yields \$187,705 for an audit of the federal units. This typical price range can be affected by the quality of your available data and difficulty of site access. If these two factors are particularly poor they can significantly drive up the price to on the order of \$5000 per development, which for your federal units (67 developments) would equal \$335,000 in audit costs.

2) Financing:

Municipal leasing is the primary financing option used, and it is a very standard method in the PHA market sector. I have attached a handout of FAQs on municipal leasing.

Main Advantages for HPHA

- The benefits of energy savings projects done with Modernization \$ go to HUD
- The benefits of energy savings projects done with Energy Performance Contracting \$ go to HPHA
- Protects project value with guaranteed and measured savings
- Can leverage larger modernization projects
- Improves long term asset management
- Provides management/financing and technical expertise
- Modernize equipment and reduce maintenance costs
- Ability to pay for high quality maintenance with energy savings
- Project staff to manage the project can be paid for from project savings

Main Pitfalls to Avoid

- Selecting a company based on audit price instead of their capability to perform
- Not freezing the rolling base when it is the best economic choice
- Not having HPHA provide sufficient qualified staff to manage the project (would require at least one additional staff member for about 3 years).
- Complicating the procurement process so that it drives up project costs and delays project implementation
- Not training proposal evaluation staff sufficiently
- Making sure the ESCO uses equipment and which minimizes life cycle costs: The value of future utility cost saving increases as utility rates rise. HPHA can capture this value if they freeze the utility rolling base at current pre-project levels. If you use the add on subsidy incentive you forfeit the ability to increase the value of your savings over time. You merely get the subsidy needed for your debt service.
- Not coordinating with other construction projects when needed
- Not using rigorous measurement of savings when it is cost effective to do so
- Filling out forms properly to claim HUD incentives every year

ENERGY PERFORMANCE CONTRACTING

General Criteria for Selection

- Track record of doing excellent Public Housing Authority (PHA) projects
- Documented performance of past projects
- Knowledge of HUD regulations
- Technical and financial expertise
- Quality of communication skills
- Quality of staff experience
- Financial soundness of the ESCO
- Strong customer service ethic

3) Decision Points:

ACTIVITY	DATE
Issue RFP	August 31, 2007
Pre-Proposal Meeting / Site Visit	September 11, 2007
<i>Proposals Due</i>	<i>September 28, 2007</i>
Selection of Finalist ESCO	October 12, 2007
ESCO Interviews and Ranking	October 19, 2007
Selection of ESCO & Negotiation of Energy Audit Contract	November 2, 2007
HPHA Board of Directors Approval of Energy Audit Contract	December 20, 2007
Contract Signing and ESCO Notice to Proceed with Audit (6 months)	February 7, 2008
Audit Review and Negotiation of Energy Service Agreement (ESA)	August 5, 2008
HPHA Board of Directors Approval of ESA	September 25, 2008
Contract Signing and ESCO Notice to Proceed with ESA	November 3, 2008
Project construction completed (18 months)	May 3, 2011



Frequently Asked Questions About Tax-Exempt Municipal Leasing

1. What is a tax-exempt lease?

A tax-exempt lease or lease-purchase agreement is an installment purchase, conditional sale or lease with an option to purchase for nominal value. It may also be referred to as a municipal lease.

2. Who qualifies for tax-exempt financing?

The issuer of a tax-exempt obligation, including a tax-exempt lease, must be a State or possession of the U.S., the District of Columbia, or a political subdivision thereof. Political subdivisions include cities, towns, counties and other municipalities. They may include other state entities such as school districts, special purpose districts (fire, parks, utility, water, etc.), hospitals, agencies, authorities, boards and commissions.

Not-for-profit organizations created under Section 501 (c) (3) of the Internal Revenue Code do not qualify directly as issuers of tax-exempt obligations but may be eligible with a sponsoring governmental unit. Not-for-profit organizations benefiting from tax-exempt leasing include:

- Health Care (Hospitals, Clinics, Nursing Homes, Life Care Centers)
- Education (Colleges and Universities, Preparatory Schools)
- Museums
- Research Centers

3. What are some of the benefits of tax-exempt leasing?

The benefits of a tax-exempt lease include:

- Preservation of capital dollars for other projects for which leasing is not an option
- Preservation debt limitations does not create long-term debt on the entity's books
- Enables improvement of cash flow
- Incorporates flexible structuring to meet budget needs
- Low rates resulting from tax-exempt basis
- Offers an alternative financing option without voter approval
- Provides project financing (including soft costs)
- Spreads out the cost of an asset over the useful life of that asset or project



4. What can be financed on a tax-exempt basis?

Tax-exempt financing is typically utilized for equipment acquisitions. It may also be used for other capital expenditures, e.g., purchasing property, implementing of a specific project, or expanding existing facilities. Both personal property and real property can be leased. This includes personal property such as:

- Telecommunications Systems
- Computers
- Vehicles
- Energy Management Systems
- Recreational Equipment
- Emergency Services Equipment
- Medical Equipment
- Software
- Modular Buildings

and real property such as:

- Schools
- Courthouses
- Correctional Facilities
- Central Offices
- Recreational Facilities
- Environmental Facilities.

Equipment may include:

- Hardware
- Installation
- Training
- Infrastructure wiring
- Maintenance
- Video & multimedia equipment
- Software applications

5. How are tax-exempt leases structured?

Tax-exempt leases are structured as a series of one-year renewable obligations that are subject to the governmental entities ability to appropriate funds for the continuation of lease payments. Payments constitute a current expense of the lessee and, in the event that sufficient funds are not available for payment, the agreement is terminated and the equipment is delivered to the lessor.

6. What is a non-appropriation clause?

A non-appropriation clause enables the lessee to terminate the lease agreement at the end of the current appropriation period without further obligation or penalty. This may be done only in cases where the lessee was unable to obtain funding for future payment obligations on the lease. Typically, the clause will contain a 'best efforts' requirement whereby the lessee must use its best efforts to obtain the necessary appropriation for the lease payments. The non-appropriation clause enables the lessee to account for the lease obligation as a current expense instead of debt.

7. What is a non-substitution clause?

A non-substitution clause maintains that if a lease is terminated for non-appropriation, the lessee may not replace the leased equipment with equipment that performs the same or similar functions.

8. Who owns the equipment under a tax-exempt lease?

Title may either be retained by the lessor until all payments have been received or may be granted to the lessee at lease inception. In this case, the obligation is secured by a 'perfected' first security lien on the equipment. In most cases, it is preferable to pass title up front to avoid any potential tax issues.

9. Who is responsible for maintenance, insurance, property tax and other operating expenses?

A tax-exempt lease is a 'net lease,' which means that the lessee is responsible for these types of expenses. However, the lessee may contract with the equipment supplier to provide maintenance and other services. These costs may be included in the financing.

10. What is the maximum finance term?

The term of the lease may not exceed the average reasonable expected economic useful life of the property or project being financed.

11. What factors should be considered in deciding when to use a tax-exempt lease?

For any asset acquisition decision, the principal financial objective is to obtain the use of the asset for the lowest possible total cost, as measured over the period the asset is to be used. Other factors affecting the selection of a financing option which should be considered by a governmental entity include:

- Availability of cash at the time of procurement;
- Competing demands on capital resources;

- Essentiality of the asset to the basic functions of the entity;
- Useful life of the asset;
- Desirability of matching costs and benefits over time;
- Ability to improve bargaining positions with vendors; and
- Political attitudes toward debt financing

For a variety of needs and circumstances, tax-exempt lease financing provides a governmental entity with an alternative to purchasing an asset with cash, acquiring its use for a period of time through a true lease or issuing bonds.

INSERT Under:

III. REPORTS

A. Report of the Executive Director Program/Project Updates.

Exhibit "M" page 5 (last page)



II. IMPLEMENTING THE LIFE CYCLE COST ANALYSIS PROCESS AT STANFORD

Life Cycle Cost Analysis will be implemented within the existing nine-phase PDP. Section III discusses in detail how to address LCCA at each stage. LCCA adds two major activities to the PDP: O&M Cost Benchmarking and Comparative Analysis. Each of these activities occurs at specific phases in the PDP, in conjunction with other Project Team tasks during those phases.

OPERATIONS & MAINTENANCE COST BENCHMARKING

During the Feasibility and Programming phases of the PDP, the Project Manager develops a "Benchmark Budget" with design and construction cost estimates based upon data from past projects. At this time, the Project Team will also develop an O&M Benchmark using historical operations and maintenance data from existing campus buildings for those LCCA components that apply to the project.

COMPARATIVE ANALYSIS

During the Schematic Design (SD) and Design Development (DD) phases of the PDP, the Project Team makes increasingly detailed decisions about the final design for the building, including mechanical, electrical, structural, telecommunications, and plumbing systems. During this period, the Project Manager will direct the team to conduct a series of analyses comparing the total costs of various building system options. Section IV of the Guidelines for LCCA defines steps to follow in conducting these analyses and provides constants (energy rates, discount rates, etc.) to be used.

STUDY CATEGORIES

The Project Team will assess the value to the project of up to 14 possible life cycle cost (LCC) comparisons in six general categories: Energy Systems, Mechanical Systems, Electrical Systems, Building Envelope, Siting/Massing, and Structural Systems. Within each category, the specific comparisons involve options for addressing the same need. The 14 comparison areas follow, with examples of options that might be considered in each. These examples are only for clarification; specific systems or options considered will vary with the type, scale, and intended use of the building.

Energy Systems

1. Central plant-connected vs. stand-alone systems (steam and chilled water)
2. Alternative energy systems (e.g., solar photovoltaics, solar thermal, fuel cells)
3. Equipment options for stand-alone systems (e.g., air-cooled chillers vs. refrigerant-based direct-expansion [DX] units)

Mechanical Systems

4. Air distribution systems (e.g., variable volume vs. constant volume, overhead vs. underfloor)
5. Water distribution systems (e.g., various piping systems and pumping options)

Electrical Systems

6. Indoor lighting sources and controls
7. Outdoor lighting sources and controls
8. Distribution (e.g., transformers, buss ducts, cable trays)

Building Envelope

9. Skin and insulation options
10. Roofing systems (various materials and insulation methods)
11. Glazing, daylighting, and shading options

Siting/Massing

12. Orientation, floor-to-floor height, and overall building height
13. Landscape, irrigation, and hardscape options

Structural Systems

14. Systems/materials selection (e.g., wood vs. steel vs. concrete, cast-in-place vs. pre-cast)

STUDY SELECTION

The Project Team will determine which of the six categories of studies and the 14 comparative analyses have the highest potential LCC benefit for the project. An LCCA Decision Matrix can assist in this determination. The team should create a customized matrix, using the example on page 6. The vertical axis represents the potential cost impact to the project. The horizontal axis reflects the complexity of the analysis required.

FOR ACTION

SUBJECT: APPROVAL OF RESOLUTION NO. 09 APPROVING THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION FOR FISCAL YEAR ENDING JUNE 30, 2007

I. REQUEST

Approval of the SEMAP Certification for FY ending June 30, 2007.

II. FACTS

- A. SEMAP is a management assessment system that the Department of Housing and Urban Development (HUD) will annually use to measure the performance of all housing agencies (HAs) that administer the Section 8 tenant-based rental assistance program.
- B. SEMAP sets forth the following fourteen (14) indicators to measure program performance. SEMAP enables HUD to ensure program integrity and accountability by identifying HA management capabilities and deficiencies and by improving risk assessment to effectively target monitoring and program assistance. HAs can use the SEMAP performance analysis to assess their own program operations.
- C. Indicators 1-8, 13 and the Bonus Indicator are "self certified." Indicators 9-12 and 14 are measured and reported by HUD's Public & Indian Housing Information Center (PIC) Reports.
1. Indicator 1. Selection from the Waiting List **(15 pts)**
Examines whether the HA has written policies in its administrative plan for selecting applicants from the waiting list and whether the HA follows these policies when selecting applicants for admission from the waiting list.
 2. Indicator 2. Reasonable Rent **(20 pts)**
Examines whether the HA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units.
 3. Indicator 3. Determination of Adjusted income **(20 pts)**
Examines whether at the time of admission and annual reexamination, the HA verifies and correctly determines adjusted annual income for each assisted family and, where the family is responsible for utilities under the lease, the HA uses the appropriate utility allowance for the unit leased in determining the gross rent.
 4. Indicator 4. Utility Allowance Schedule **(5 pts)**
Examines whether the HA maintains an up-to-date utility allowance schedule.

5. Indicator 5. Housing Quality Standards (HQS) Quality Control Inspections **(5 pts)**
Examines whether a HA supervisor or other qualified person reinspects a sample of units under contract during HA fiscal year, under HUD's Quality Control sample guidelines.
6. Indicator 6. HQS Enforcement **(10 pts)**
Examines whether following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening HQS deficiencies are corrected within 24 hours from the inspection and all other cited HQS deficiencies are corrected within no more than 30 calendar days from the inspection or any HA-approved extension. Also if deficiencies were not corrected within the required timeframe, the HA stopped housing assistance payments or took action to enforce the family obligations.
7. Indicator 7. Expanding Housing Opportunities **(5 pts)**
This indicator applies only to HAs with jurisdiction in metropolitan Fair Market Rent (FMR) areas. Examines whether the HA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration, informs rental voucher and certificate holders of the full range of areas where they may lease units both inside and outside the HA's jurisdiction, and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.
8. Indicator 8. Fair Market Rent (FMR) Limit and Payment Standards **(5 pts)**
Examines if HA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and has payment standards which do not exceed 110 percent of current applicable FMR and which are not less than 90 percent of the current FMR.
9. Indicator 9. Annual Reexaminations **(10 pts)**
Examines whether the HA completes a reexamination for each participating family at least every 12 months.
10. Indicator 10. Correct Tenant Rent Calculations **(5 pts)**
Examines whether the HA correctly calculates tenant rent in the rental certificate program and the family's share of the rent to owner in the rental voucher program.
11. Indicator 11. Pre-Contract HQS Inspections **(5 pts)**
Examines whether newly leased units pass HQS inspection on or before the beginning date of the assisted lease and Housing Assistance Payment (HAP) contract.
12. Indicator 12. Annual HQS Inspections **(10 pts)**
Examines whether the HA inspects each unit under contract at least annually.
13. Indicator 13. Lease-Up **(20 pts)**
Examines whether the HA enters HAP contracts for the number of units under budget for at least one year.
14. Indicator 14. Family Self-Sufficiency (FSS) Enrollment and Escrow Accounts **(10 pts)**
Applies only to HAs with mandatory FSS programs. Examines whether the HA has enrolled families in the FSS program as required, and the extent of the HA's progress in supporting FSS by measuring the percent of

current FSS participants with the FSS progress reports entered in PIC that have had increases in earned income which resulted in escrow account.

In addition, there is a Deconcentration Bonus Indicator, which is optional for HAs with jurisdiction in metropolitan FMR areas. This indicator examines the percent of Section 8 mover families with children who moved to low poverty census tracts in HA's principal operating area during the last HA FY and is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of last HA FY. (5 pts)

III. DISCUSSION

The SEMAP score and overall performance rating identifies housing agencies as high performer, standard or troubled and identifies and requires corrective actions for SEMAP deficiencies, and imposes sanctions for troubled performers.

Indicator	2005 Final Points	2006 Final Points	2007 Anticipated Points	SEMAP Maximum Points	2008 Anticipated Points
#1: Selection from the Wait List	15	0	0 ₁	15	15
#2: Reasonable Rent	20	15	15 ₂	20	20
#3: Determination of Adjusted Income	20	15	15 ₃	20	20
#4: Utility Allowance Schedule	5	5	5	5	5
#5: Housing Quality Standard (HQS) Quality Control Inspections	5	5	5	5	5
#6: HQS Enforcement	10	0	0 ₄	10	10
#7: Expanding Housing Opportunities	5	0	5	5	5
#8: Fair Market Rent (FMR) Limit and Payment Standards	5	5	5	5	5
#9: Annual Reexaminations	10	10	10	10	10
#10: Correct Tenant Rent Calculations	5	0	5	5	5
#11: Pre-Contract HQS Inspections	NA	5	5	5	5
#12: Annual HQS Inspections	10	10	10	10	10
#13: Lease-Up	15	15	20	20	20
#14: Family Self-Sufficiency (FSS) Enrollment and Escrow Account	10	8	10	10	10
#15: Deconcentration Bonus	0	5	5	5	5
Total	135	98	115	145 ₅	150

Footnotes:

¹Contact letters were dated one or two days apart which caused the applicants not being called in order. **Problem has been identified and corrected for 2008 SEMAP.** Supervisor controls master mailings.

²File samples indicated some rent comparables were dated or incomplete. Errors did not impact final rating as Standard Performer. We anticipate full points for 2008 SEMAP. Staff has been reminded to double check the inspectors' work for completeness to improve score in the future.

³File samples indicated some rent calculations did not follow PIH 2004-1 policy and procedure. Errors did not impact final rating as Standard Performer. Training has been established during Branch meetings to address the deficiency and improve score in the future.

been identified and corrected for 2008 SEMAP. Controls have been created whereby the inspection section follows up on failed items. We anticipate full points for 2008 SEMAP.

⁵Deconcentration Bonus points not included in the total SEMAP points.

The Section 8 Management Assessment Program Certification is being submitted for FY ending June 30, 2007, 115/145 = 79%, Standard Performer Rating.

Less than 60%	=	Troubled Performer Rating (0–86 points)
60%-89%	=	Standard Performer Rating (87–129 points)
90% plus	=	High Performer Rating (130–145 points)

IV. RECOMMENDATION

That the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No.09, approving the Section 8 Management Assessment Program Certification for FY ending June 30, 2007.

Prepared by: Dexter Ching, Chief, Section 8 Subsidy Program Branch DC

**Approved by the Board of Directors at its meeting on
AUG 16 2007**

SECTION 8 SUBSIDY PROGRAMS BRANCH

Please take necessary action



EXECUTIVE DIRECTOR

RESOLUTION NO. 09

HAWAII PUBLIC HOUSING AUTHORITY
STATE OF HAWAII

RESOLUTION APPROVING THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM
(SEMAP) CERTIFICATION

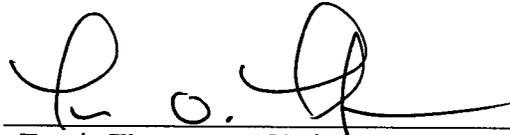
WHEREAS, the Board of Directors of the Hawaii Public Housing Authority, in compliance with the U.S. Department of Housing and Urban Development (HUD) management performance requirements for Fiscal Year 2007, has reviewed the Section 8 Management Assessment Program (SEMAP) Certification, herein attached, and

WHEREAS, The Section 8 Management Assessment Program (SEMAP) provides policies and procedures for HUD's use in identifying Public Housing Agency management capabilities and deficiencies, and

WHEREAS, HUD will utilize and allow the Section 8 Management Assessment Program (SEMAP) to practice accountability, monitoring, and risk management.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority hereby approve the SEMAP Certification for FY ending June 30, 2007.

The UNDERSIGNED, hereby certifies that the foregoing Resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on August 16, 2007.



Travis Thompson, Chairperson

August 16, 2007

FOR ACTION

SUBJECT: APPROVAL OF RESOLUTION NO. 10 APPROVING THE PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS) MANAGEMENT OPERATIONS CERTIFICATION FOR THE FISCAL YEAR ENDING JUNE 30, 2007

I. REQUEST

Approval of the PHAS Management Operations Certification for Fiscal Year Ending June 30, 2007

II. FACTS

- A. 24 CFR Part 902 sets forth the regulations for the Department of Housing and Urban Development (HUD) to assess the management performance of the Hawaii Public Housing Authority (HPHA) in identifying its management capabilities by measuring major areas of management operations.
- B. The Public Housing Assessment System (PHAS) score is comprised of assessments of four major operational areas – physical (PASS 30 points), financial (FASS 30 points), management (MASS 30 points) and resident satisfaction (RASS 10 points).

II. DISCUSSION

- A. The Management Assessment Subsystem (MASS) certification is being submitted for FY ending June 30, 2007 as a standard performer with a score of 19 points out of a possible 30 points which equals to 63.3%.

Indicator #3: Management (MASS)

Management Sub-Indicator	2005 Final Points	2006 Final Points	2007 Anticipated Points	MASS Maximum Points	2008 Anticipated Points
Vacant Unit Turnaround	0	0	0 ₁	4	0
Capital Fund					
Unexpended Funds Over Three Federal Fiscal Year (FFYs) Old	1	Excluded	1	1	1
Timeliness of Fund Obligation	2	Excluded	2	2	2
Adequacy of Contract Administration	1	1.75	0 ₂	1	1
Quality of the Physical Work	2	3.5	2	2	2
Adequacy of Budget Controls	1	1.75	1	1	1
Work Orders					
Emergency Work Orders	0	0	0 ₃	2	2
Non-Emergency Work Orders	0	0	0 ₄	2	2
Annual Inspection of Dwelling Units and Systems					
Annual Inspection of Dwelling Units	0	0	2	2	2
Annual Inspection of Systems Including Common Areas and Non-Dwelling Space	0	0	0 ₅	2	1.7
Security					
Tracking and Reporting Crime-Related Problems	1	1.33	1.33	1	1.33
Screening of Applicants	1	1.33	1.33	1	1.33
Lease Enforcement	1	1.33	1.33	1	1.33
Drug Prevention and/or Crime Reduction Program Goals	1	Excluded ₆	Excluded ₆	1	Excluded
Economic Self-Sufficiency	7	7	7	7	7
TOTAL	18	18	19	30	25.7

Footnotes:

¹The long time vacant units (365+) are being monitored and addressed by Property Management & Maintenance Services Branch and Construction Management Section. The completion of these units during the current fiscal year will allow for timely turnaround of units in future years.

²The financial audit for the Fiscal Year Ending 6/30/06 cited a finding on the Capital Fund Program account as reconciliations were not done on a timely basis. This will be addressed once the general ledger is completed and will be maintained and reconciled on a timely basis. The 1 point is expected to be regained in 2008.

³Emergency work orders have been completed or abated within 24 hours at a rate of 92%. 2 points may be obtained at a rate of 99% or higher. Clarification on the definition of emergency work orders has been made and the timeliness of entering data has been addressed. Daily monitoring of the emergency work orders will be conducted by Property Management & Maintenance Services Branch to ensure timely closing or abatement of the emergency status.

⁴Non-emergency work orders have generally been turned around timely, however, HUD questioned the inconsistent coding of the work orders during their confirmatory review this year. They noted that the same repair item was coded as an emergency at one project but a non-emergency at another project. Procedures must be documented and staff must be appropriately trained. If the priority codes are consistent in 2008, 2 points may be earned.

⁵ 31.2% of the building inspections were completed, resulting in 0 of the maximum 2 points. Property Management & Maintenance Services Branch will coordinate the inspection schedule in collaboration with Construction Management Section.

⁶This component will be excluded from the score calculation if the PHA does not have any drug prevention or crime reduction programs to be assessed. (.333 is then added to each of the remaining 3 components)

B. HUD will issue scores for the remaining 3 indicators, which are estimated to be as follows:

1. Indicator 1: Physical Condition (21.0 of 30)
This indicator determines whether a Public Housing Authority (PHA) is providing housing that is decent, safe, sanitary and in good repair. The physical inspection is performed by the Department of Housing and Urban Development's (HUD) Real Estate Assessment Center (REAC). REAC has not conducted the inspections since 2005 so we are utilizing the 2005 score.
2. Indicator 2: Financial Condition (21.0 of 30)
This indicator measures the financial condition of a PHA for the purpose of evaluating whether it has sufficient financial resources and is capable of managing those financial resources effectively. This is based on last year's score because the points can't be projected without the completion of the general ledger. Failure to complete a general ledger by 8/30/07 would cause HPHA to become troubled in FASS.
3. Indicator 3: Management Condition (19.0 of 30)
The Management Assessment Subsystem (MASS) certification is being submitted for FY ending June 30, 2007 as a standard performer with a score of 19 points out of a possible 30 points which equals to 63.3%.
4. Indicator 4: Resident Service & Satisfaction (9 of 10)
This indicator measures the level of resident satisfaction with living conditions at the PHA. The score is based on resident survey results, survey implementation plan, and a survey follow-up plan. We will be utilizing last year's score since the survey results are not available yet.

C. HPHA's projection of the PHAS score as of June 30, 2007 is 70 points, Standard Performer.

PHAS rating scale (100 points):

- High Performer: A PHA that achieves a score of at least 60% of the points available under each of the four indicators and achieves an overall score of 90 or greater of the total available points.
- Standard Performer: A PHA that achieves an overall score of not less than 60% of the total available points and does not achieve less than 60% of the total points available under Indicators #1, #2 or #3.
- Troubled in one area: A PHA that achieves less than 60% of the total points available under only one of the following indicators, Indicators #1, #2, or #3, shall be considered a substandard physical, substandard financial, or substandard management performer.
- Overall troubled: A PHA that achieves an overall score of less than 60% or achieves less than 60% of the total points available under more than one of the following indicators, Indicators #1, #2, or #3.

PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

PHAS Indicator	2005 Final Points	2006 Final Points	2007 Anticipated Points	MASS Maximum Points	2008 Anticipated Points
Physical (PASS)	21	21	21	30	21 ₁
Financial (FASS)					
Current Ratio	9	7.5	7.5	9	9 ₂
Number of Months Expendable Funds Balance	9	7.5	7.5	9	9 ₃
Tenant Receivable Outstanding	.5	.7	.7	4.5	.7 ₄
Occupancy Loss	3.4	4.5	4.5	4.5	4.5 ₅
Net Income or Loss Divided by the Expendable Funds Balance	1.5	1.5	1.5	1.5	1.5 ₆
Expense Management/Utility Consumption	1.5	0	0	1.5	1.5 ₇
Audit Flag Penalties		-0.5	-0.5		
Management (MASS)	18	18	19	30	25.7
Resident (RASS)					
Survey Results	3.6	3.7	3.7	5	3.7 ₈
Implementation Plan	2	2	2	2	2 ₈
Follow Up Plan	3	3	3	3	3 ₈
TOTAL	73	69	70	100	82

Footnotes:

¹Based on 2005 Inspection score. Although vacant units are being worked on with CIP and CAP funds, physical inspections are conducted only on occupied units, buildings and sites.

²If units are repaired, rents collected timely and expenses kept in line with the budget, the 9 points can be achieved in 2008.

³Currently, we have \$4.6 million in reserves. By controlling expenses, the 9 points can be achieved in 2008.

⁴The plan is to reduce the tenant accounts receivable by focusing on the write offs and the rent collection policy on a systematic basis.

⁵The filling of vacant units timely is being addressed to reduce the occupancy loss. The applications function will remain centralized but the Public Housing Specialists will be assigned to specific AMPS.

⁶The \$4.6 million in reserves need to be built up by cutting down on expenses and increasing income by adhering to the rent collection policy and evicting tenants who are not paying their rent.

⁷We are entering into the energy performance contract and will begin charging tenants for their excess utilities, which will cut down on our utilities expense.

⁸Based on 2006 Resident score

IV. RECOMMENDATION

Staff recommends that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 10, approving the Public Housing Assessment System Management Operations Certification for Fiscal Year ending June 30, 2007.

Attachments

Prepared by: Glori Inafuku, Acting Chief Compliance Officer *GI*

Reviewed by: Patti Y. Miyamoto, Acting Fiscal Management Office *PM*

Approved by the Board of Directors at its meeting on

AUG 16 2007

COMPLIANCE OFFICE

Please take necessary action



EXECUTIVE DIRECTOR

RESOLUTION NO. 10

HAWAII PUBLIC HOUSING AUTHORITY
STATE OF HAWAII

RESOLUTION APPROVING THE PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)
MANAGEMENT OPERATIONS CERTIFICATION

WHEREAS, the Board of Directors of the Hawaii Public Housing Authority, in compliance with the U.S. Department of Housing and Urban Development (HUD) management performance requirements for Fiscal Year 2007, has reviewed the Public Housing Assessment System (PHAS) Management Operations Certification, herein attached, and

WHEREAS, the Public Housing Assessment System (PHAS) provides policies and procedures for HUD's use in identifying Public Housing Agency management capabilities and deficiencies, and

WHEREAS, HUD will utilize and allow the Public Housing Assessment System (PHAS) to practice accountability, monitoring, and risk management.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority hereby approve the PHAS Management Operations Certification for FY ending June 30, 2007.

The UNDERSIGNED, hereby certifies that the foregoing Resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on August 16, 2007.

A handwritten signature in black ink, appearing to read 'T.O. Thompson', is written over a horizontal line.

Travis O. Thompson, Chairperson

Management Assessment for Public Housing Agencies

PHA Code : HI001 FYE : 06/30 Fiscal Year : 2007
 PHA Name : Hawaii Public Housing Authority
 Submission Type : Submission Status : Draft

Sub-Indicator 1: Vacant Unit Turnaround Time

ELEMENT	DESCRIPTION	AMOUNT
V12400	Total number of turnaround days.	252,314
V12500	Total number of vacancy days exempted for Capital Fund.	94,660
V12600	Total number of vacancy days exempted for other reasons.	0
V12700	Total number of vacant units turned around and lease in effect in the PHA's immediate past fiscal year.	793
V12800	Average number of calendar days units were in down time.	39.00
V12900	Average number of calendar days units were in make ready time.	90.00
V13000	Average number of calendar days units were in lease up time.	66.00
V13100	Average Unit Turnaround Days.	198.81

Repair + maintenance contracts, CIP, application process *2007-08 major improvement needed*

1. Vacant Unit Turnaround Time: 4 Points

Ave. No. of Days	Grade	Multiplier	Point Equivalent
0 - 20	A	1.00	4.00
21 - 25	B	0.85	3.40
26 - 30	C	0.70	2.80
31 - 40	D	0.50	2.00
41 - 50	E	0.30	1.20
Over 50	F	0.00	0.00

Sub-Indicator 2: Capital Fund

ELEMENT	DESCRIPTION	AMOUNT
CF10000	Do you have any open Capital Fund programs(e.g. CGP, HOPE VI)(Y/N)? Open = any program that does not have a pre-audit end date or that received a pre-audit end date during the fiscal year being assessed.	yes
Component 1:	Unexpended Funds Over Three Federal Fiscal Years (FFYs) Old	
CF10050	Total funds authorized over 3 FFYs old that do not have a pre-audit end date or that received a pre-audit end date during the fiscal year being assessed.	\$ 0.00
CF10100	Total funds expended over 3 FFYs old that do not have a pre-audit end date or that received a pre-audit end date during the fiscal year being assessed.	\$ 0.00
CF10200	Unexpended funds to be recaptured (enter-dollar amt).	\$ 0.00
CF10300	Unexpended funds approved by HUD over 3 FFYs old (enter dollar amt).	\$ 0.00
CF10400	Unexpended funds with time extensions due to reasons outside of PHA control (enter dollar amt).	\$ 0.00
CF10500	Adjusted total unexpended funds.	\$ 0.00
Component 2:	Timeliness of Fund Obligation	
CF11100	Total funds authorized for grants over 2 FFYs old.	\$ 0.00
CF11200	Total funds obligated over 2 FFYs old.	\$ 0.00
CF11300	Unobligated funds approved by HUD over 2 FFYs old (enter dollar amt).	\$ 0.00
CF11400	Unobligated funds with time extensions due to reasons outside of PHA control (enter-dollar amt).	\$ 0.00
CF11500	Adjusted total unobligated funds.	\$ 0.00
Component 3:	Adequacy of Contract Administration	
CF11700	The date of last HUD/Army Corps of Engineers on-site inspection and/or audit related to contract administration (include A133 audit).	06/30/2006
CF11800	The number of findings related to contract administration.	1
CF11900	The number of findings related to contract administration that have been corrected by the PHA.	0
CF12000	The number of findings related to contract administration that the PHA is in the process of correcting.	1
Component 4:	Quality of the Physical Work	
CF12200	Date of last HUD/Army Corps of Engineers on-site inspection and/or audit related to quality of the physical work.	09/10/2002
CF12300	The number of findings related to the quality of the physical work.	0
CF12400	The number of findings related to the quality of the physical work that have been corrected by the PHA.	0
CF12500	The number of findings related to the quality of the physical work that the PHA is in the process of correcting.	0

caused by lack of general Tedger

Component 5: Budget Controls

CF12700	Total amount of Capital Funds expended during the PHA fiscal year being assessed.	\$ 16,695,502.09
CF12800	The amount of Capital Funds expended on approved work items not subject to budget revisions during the PHA fiscal year being assessed.	\$ 16,695,502.09
CF12900	The amount of Capital Funds expended under budget revisions with prior HUD approval during the PHA fiscal year being assessed.	\$ 0.00
CF13000	The amount of Capital Funds expended under budget revisions not requiring prior HUD approval during the PHA fiscal year being assessed.	\$ 0.00

2. Capital Fund 7 Points

- 2.1. Unexpended Funds: 1 point
 - PHA has no unexpended funds over three federal fiscal years old: A or 1 point
 - PHA has unexpended funds over three federal fiscal years old: F or 0 point
- 2.2. Timeliness of Fund Obligation: 2 points
 - PHA has no unobligated funds over two federal fiscal years old: A or 2 points
 - PHA has unobligated funds over two federal fiscal years old: F or 0 point
- 2.3. Contract Administration: 1 point
 - PHA has no findings related to contract administration or the PHA has corrected all such findings: A or 1 point
 - PHA has findings related to contract administration and the PHA is in the process of correcting all findings: C or 0.7 point
 - There were findings based on contract administration and the PHA has failed to initiate corrective actions: F or 0 point
- 2.4. Quality of Physical Work: 2 points
 - No findings related to the quality of physical work or the PHA as corrected all such findings: A or 2 points
 - There were findings related to the quality of physical work or the PHA is in the process of correcting all findings: C or 1.4 points
 - There were findings related to quality of physical work and the PHA has failed to initiate corrective action for all such findings: F or 0 point
- 2.5. Budget Controls: 1 point
 - PHA has expended all funds according to the original budget: A or 1 point
 - PHA has failed to report all the funds expended during the FY being assessed: F or 0 point

Sub-Indicator 3: Work Orders

ELEMENT	DESCRIPTION	AMOUNT
Component 1:	Emergency Work Orders	
W10000	Total number of emergency work orders.	3,612
W10100	Total number of emergency work orders completed / abated within 24 hours.	3,336
W10200	Percentage of emergency work orders completed / abated within 24 hours.	92.36%
Component 2:	Non-Emergency Work Orders	
W10500	Total number of non-emergency work orders.	27,287
W10600	Total number of calendar days it took to complete non-emergency work orders.	701,959
W10700	Average number of days PHA has reduced the time it takes to complete non-emergency work orders over the past three years.	0.00
W10800	Average completion days.	25.73

can be improved with training

close to maximum points

3. Work Orders: 4 Points

3.2. Emergency work orders 2 points

- At least 99% of emergency work orders were completed within 24 hours: A or 2 points
- At least 98% of emergency work orders were completed within 24 hours: B or 1.7 points
- At least 97% of emergency work orders were completed within 24 hours: C or 1.4 points
- At least 96% of emergency work orders were completed within 24 hours: D or 1 point
- At least 95% of emergency work orders were completed within 24 hours: E or 0.6 point
- Less than 95% of emergency work orders were completed within 24 hours: F or 0 point

3.2. Non-emergency work orders 2 points

- All non-emergency work orders are completed within an average of 25 calendar days: A or 2 points
- All non-emergency work orders are completed within an average of 26-30 calendar days: B or 1.7 points
- All non-emergency work orders are completed within an average of 31-40 calendar days: C or 1.4 points
- All non-emergency work orders are completed within an average of 41-50 calendar days: D or 1 point
- All non-emergency work orders are completed within an average of 51-60 calendar days: E or 0.6 point
- All non-emergency work orders are completed within an average of greater than 60 calendar days: F or 0 point

Sub-Indicator 4: Annual Inspection of Dwelling Units and Systems

ELEMENT	DESCRIPTION	AMOUNT	
Component 1:	Annual Inspection of Dwelling Units		
A10000	The total number of ACC units.	5,363	
A10100	The sum of units exempted where the PHA made two documented attempts to inspect and is enforcing the lease.	0	
A10200	Vacant units exempted for Capital Fund.	262	
A10300	Vacant units exempted for other reasons.	0	
A10400	Total number of units inspected using the Uniform Physical Condition Standards (UPCS).	5,162	
A10550	Total number of units inspected that did not require repairs.	1,501	
A10600	The number of units where necessary repairs were completed to comply with UPCS either during the inspection, issued work orders for the repairs, or referred the deficiency to the current year's or next year's Capital Fund program.	3,653	
A10700	Adjusted units available.	5,101	
A10800	Percent of units inspected by PHA.	101.20%	excellent
Component 2:	Annual Inspection of Systems Including Common Areas and Non-Dwelling Space		
A11100	Total number of projects.	68	
A11200	Total number of projects exempted from the inspection of systems.	1	
A11300	The total number of projects where all systems were inspected in accordance with the UPCS.	27	
A11400	Total number of buildings.	886	
A11500	Total number of buildings exempted from the inspection of systems.	5	
A11600	Total number of buildings where all systems were inspected in accordance with the UPCS.	275	
A11700	The number of buildings and projects where necessary repairs were completed to comply with UPCS either during the inspection, issued work orders for the repairs, or referred the deficiency to the current year's or next year's Capital Fund program.	226	
A11800	Percentage of projects inspected.	40.30%	target area for major improvement
A11900	Percentage of buildings inspected.	31.21%	

4. Inspections of Units and Systems 4 Points

4.1. Annual Inspection of Units 2 Points

- PHA has inspected 100% of its ACC units according to inspection protocol: A or 2 points
- PHA has inspected 97% -99% of its ACC units according to inspection protocol: .. B or 1.7 points
- PHA has inspected 95%-96% of its ACC units according to inspection protocol: ... C or 1.4 points
- PHA has inspected 93% -94% of its ACC units according to inspection protocol D or 1 point
- PHA has inspected 90%-92% of its ACC units according to inspection protocol:E or 0.6 point
- PHA has inspected less than 90% of its ACC units according to inspection protocol: ..F or 0 point

4.2. Annual inspection of systems 2 points

- PHA has inspected all major systems at 100% of its buildings and sites:A or 2 points
- PHA has inspected all major systems at 90%-99% of its buildings and sites: B or 1.7 points
- PHA has inspected all major systems at 80%-89% of its buildings and sites: C or 1.4 points
- PHA has inspected all major systems at 70%-79% of its buildings and sites: D or 1 point
- PHA has inspected all major systems at 60%-69% of its buildings and sites:E or 0.6 point
- PHA inspected less than 60% of all major systems on its buildings and sites:F or 0 point

Sub-Indicator 5: Security

ELEMENT	DESCRIPTION	AMOUNT
Component 1:	Tracking and Reporting Crime-Related Problems	
S10000	The date that the Board adopted current policies to track crime and crime-related problems.	01/17/1997
S10100	The date that the PHA implemented the current procedures to track crime and crime-related problems.	11/15/2005
S10200	The date that the PHA implemented a current cooperative system for tracking and reporting crime to local police authorities.	07/01/2002
S10300	The number of crimes that the PHA can document it reported to local police authorities.	426
S10400	Percentage of developments where PHA can document it tracks crime and crime-related problems.	91.00%
Component 2:	Screening of Applicants	
S10500	The date the Board adopted current screening policies that reflect the applicable criteria.	12/16/2004
S10600	The date the PHA implemented current screening procedures that reflect the applicable criteria.	12/16/2004
S10700	PHA can document that current screening procedures result in successfully denying admission to applicants who meet the applicable criteria (enter Yes or No).	yes
S10800	The total number of applicants denied who met the applicable criteria	68
Component 3:	Lease Enforcement	
S10900	The date the Board adopted current eviction policies that reflect the applicable criteria.	01/17/1997
S11000	The date the PHA implemented current eviction procedures that reflect the applicable criteria.	05/26/1998
S11100	PHA can document that eviction screening procedures resulted in the evicting of residents who meet the applicable criteria (enter Yes or No).	yes
S11200	The total number of evictions as a result of the applicable criteria.	6

Component 4:	Drug Prevention and/or Crime Reduction Program Goals	
S11350	The number of HUD-funded drug prevention and/or crime reduction programs.	0
S11450	The number of non HUD-funded drug prevention and/or crime reduction programs that the PHA requests to be assessed.	0
S11550	The number of documented program goals that are related to drug-prevention and/or crime reduction.	0
S11600	The number of goals the PHA can document it met under the implementation plans(s) for any and all of these programs.	0
S11700	Percentage of goals that the PHA can document it met under the implementation plans(s) for any and all of these programs.	0.00%

Received full points

5. Security 4 Points

5.1. Tracking and Reporting Crime-Related Problems 1 point

- The PHA board, by resolution, has adopted policies and the PHA as implemented procedures and can documents that it tracks crime in at least 90% of its developments and has a cooperative system for reporting crime to local police: **A or 1 point**
- The PHA board, by resolution, has adopted policies and the PHA as implemented procedures and can documents that it tracks crime in at least 60%-89% of its developments and has a cooperative system for reporting crime to local police: **C or 0.7 point**
- PHA has no board adopted/PHA implemented policy for tracking and reporting crime: **F or 0 point**

5.2. Screening applicants..... 1 point

- The PHA board, by resolution, has adopted policies and the PHA has implemented procedures and can document that it successfully screens out and denies admission to a public housing applicant who meets the criteria: **A or 1 point**
- The PHA has no board adopted/PHA implemented policy and procedure for screening and denying admission to public housing applicants who meet the criteria: **F or 0 point**

5.3. Lease enforcement 1 point

- The PHA board, by resolution, has adopted policies and the PHA has implemented procedures and can document that it appropriately evicts any public housing resident who meets the criteria: **A or 1 point**
- PHA has no board adopted/ PHA implemented policy and procedure for evicting any public housing residents who meet the criteria: **F or 0 point**

5.4. Drug prevention and/or crime reduction program goals..... 1 point

- PHA can document that it met at least 90% of its goals related to drug prevention/crime reduction under the implementation plan for any and all of the programs: **A or 1 point**
- PHA can document that it met between 60%-89% of its goals related to drug prevention/crime reduction under the implementation plan for any and all of the programs: **C or 0.7 point**
- PHA can document that it met less than 60% of it goal related to drug prevention/crime reduction under the implementation plan for any and all of the programs: **F or 0 point**

N/A

Sub-Indicator 6: Economic Self-Sufficiency

ELEMENT	DESCRIPTION	AMOUNT
E10000	The number of HUD-funded economic self-sufficiency programs.	4
E10100	The number of non-HUD-funded economic self-sufficiency programs that the PHA requests to be assessed.	0
E10200	The number of documented program goals that are related to economic self-sufficiency.	19
E10300	The number of goals the PHA can document it met under the implementation plan(s) for any and all of these programs.	18
E10400	Percentage of goals that the PHA can document it met under the implementation plan(s) for any and all of these programs.	94.74%

Received full points

6. Economic Self-Sufficiency 7 Points

- PHA can document that is met at least 90% of its goals related to economic self-sufficiency under the implementation plan for any and all of the programs: **A or 7 points**
- PHA can document that it met between 60-89% of its goals related to economic self-sufficiency under the implementation plan for any and all of the programs: **C or 4.9 points**
- PHA can document that it met less than 60% of its goals related to economic self-sufficiency under the implementation plan for any and all of the programs: **F or 0 point**

MASS TOTAL POINT SCORE (Total of 6 Sub-Indicators)..... 30 Points

FOR ACTION

SUBJECT: Adoption of the Hawaii Public Housing Authority's Statement of Procurement Policy

I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) is conducting procurements under its current Statement of Procurement Policy (Policy) adopted on April 11, 2002. Since that time, several key changes in Federal and State procurement laws have been enacted.
- B. On March 2, 2007, the U.S. Department of Housing and Urban Development (HUD) issued its Handbook No. 7460.8 Rev 2 "Procurement Handbook for Public Housing Agencies". The handbook was updated to clarify, simplify, and update procurement requirements, incorporating changes in Federal laws, regulations and other instructions.
- C. The HUD Handbook No. 7460.8 Rev 2 streamlined the following:
1. An increase in the small purchase threshold from \$25,000 to \$100,000 in accordance with revision to 24 Code of Federal Regulations (CFR) 85.36;
 2. The establishment of a micro-purchase threshold requiring only one reasonable quote (consistent with Federal Acquisition Regulations);
 3. The use of "incorporation by reference" of mandatory contract clauses into bid specifications and contract;
 4. The elimination of any required forms for small purchases with the exception of applicable maintenance and construction contracts exceeding \$2,000;
 5. The use of a simplified contract for construction work that does not exceed \$100,000;
 6. The elimination of the requirement to conduct a separate cost/price analysis when obtaining products or services of a commercial nature; and
 7. The ability of PHAs to "self-certify" that its procurement system satisfy the requirements of 24 CFR 85.36, thereby eliminating the need for prior HUD approval for most change orders and non-competitive purchases.

The revised Handbook also updated guidance on such topics as cooperative purchasing, energy performance contracting and other areas. The Handbook included a sample procurement policy, which served as the boilerplate for the HPHA's proposed Policy.

- D. The State Procurement Office also adopted changes in State laws, rules and other instructions which are not captured in the HPHA's current Statement of Procurement Policy. Act 283, Session Laws of Hawaii 2006 amended section 103D-305, Hawaii Revised Statutes by increasing the small purchase threshold from \$25,000 to \$50,000.
- E. The State Procurement Office also implemented the use of a web-based Procurement Notice System and a web-based system for solicitation and securing of quotes for small purchases under \$50,000 (known as Hawaii eProcurement System or "HePS"). On November 16, 2006, the State Procurement Office issued Procurement Circular No. 2006-08 which made it mandatory for all Departments of the Executive Branch to execute small purchases over \$15,000 on the HePS effective July 1, 2007.
- F. In 2006, the HPHA created a Procurement Office in response to HUD's concerns with HPHA's compliance with procurement regulations. The Procurement Officer is charged with establishing management policy and procedures consistent with Federal, State and local laws. The Executive Director has also delegated, to the Procurement Officer, full procurement authority as is necessary to conduct business of the Agency.

II. DISCUSSION

- A. The updated Policy will incorporate all major changes in Federal and State laws, regulations, and rules. The updated Policy was based on the sample provided by HUD. Highlighted portions in the proposed Policy were included for reasons, including but not limited to:
 - 1. Recommended clarifications by the State Procurement Office;
 - 2. Requirements in the State's chapter §103D, Hawaii Revised Statutes, "The Procurement Code" and its related Hawaii Administrative Rules;
 - 3. Recommended clarifications by HUD;
 - 4. Provisions directly excerpted from the HUD Handbook 7460.8 Rev 2 in response to past problems with procurements.The text boxes in the left margin indicate the reason for the change from HUD's boilerplate.

- B. In response to the increase in the small purchase threshold, the HPHA also requested that HUD increase their threshold for review of HPHA's contracts from \$25,000 to \$50,000. HUD has agreed that the new threshold of \$50,000 is prudent, as it will reduce administrative burden for HPHA and HUD. With the adoption of the updated Policy, HUD has agreed to provide a formal letter of approval for the new threshold.

III. REQUEST

That the Board of Directors adopt the Hawaii Public Housing Authority's Statement of Procurement Policy.

Attachment: Hawaii Public Housing Authority's Statement of Procurement Policy, dated August 16, 2007

Prepared by: B. Arashiro, Acting Procurement Officer 

Approved by the Board of Directors at its meeting on
AUG 16 2007

Contract & Procurement Office

Please take necessary action



UNOFFICIAL SIGNATURE

STATEMENT OF PROCUREMENT POLICY

For the Hawaii Public Housing Authority

This Procurement Policy complies with the Annual Contributions Contract (ACC) between the Hawaii Public Housing Authority (HPHA) and the U.S. Department of Housing and Urban Development's (HUD) Federal regulations 24 Code of Federal Regulations (CFR) 85.36, the procurement standards of the Procurement Handbook for PHAs, HUD Handbook 7460.8, Rev. 2, and applicable State of Hawaii (State) and local laws.

The HPHA certifies that this Procurement Policy complies with all applicable Federal regulations and, as such, the HPHA is exempted from prior HUD review and approval of individual procurement actions.

I. GENERAL PROVISIONS

A. Purpose

The purpose of this Statement of Procurement Policy (Policy) is to provide a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the HPHA; assure that supplies, services and construction are procured efficiently, effectively, and at the best value to the HPHA; promote competition in contracting; and assure that HPHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and local laws.

Requires union consultation. Due to pending case.

Non-compliance with this Policy may result in disciplinary action, which may include suspension, termination, or any other appropriate action allowed by collective bargaining agreement.

B. Applications

This Policy applies to all procurement actions of the HPHA, regardless of the source of funds, except as noted under "exclusions" below. However, nothing in this Procurement Policy shall prevent the HPHA from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with the law.

When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD procurement regulation shall be applied to the total project. If funds and work can be separated and work can be completed by a new contract, then regulations applicable to the source of funding may be followed. In no case, shall the division of the funds be construed to mean that parceling the procurement to evade competitive source selection requirements is acceptable.

For clarification purposes.

The term "procurement" as used in this Procurement Policy, includes both contracts and modifications (including change orders) for the purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) architectural and engineering (A/E) services, (4) social services, and (5) other services.

C. Exclusions

This policy does not govern the following areas:

1. Administrative fees earned under the Section 8 Housing Choice Voucher Program;
2. Award of vouchers under the Section 8 Housing Choice Voucher Program;
3. Execution of landlord Housing Assistance Payments contracts under the Section 8 Housing Choice Voucher that program;
4. Non-program income (e.g., fee-for-services revenue under 24 CFR Part 990);
5. Monies provided by the State Legislature for a specific contractor, vendor, or purpose (e.g., Grant in Aid funds);
6. State Homeless Programs established under chapter 356D, Hawaii Revised Statutes (HRS) and funded by the State or local government.

For consistency with current practice.

These excluded areas are subject to applicable State and local requirements and may be subject to additional requirements of the specific funding source.

D. Laws and Regulations

The HPHA shall comply with all applicable Federal, State and local laws on procurement including, but no limited to the following regulations and any statutory or regulatory or rule references made therein:

- Chapter 103D, Hawaii Revised Statutes, The Procurement Code
- Chapter 103F, Hawaii Revised Statutes, Purchase of Health and Human Services
- Part 85 of Title 24 of the Code of Federal Regulations (24 CFR), Administrative Requirements for Grants and Cooperative Agreements to state, Local, and Federally Recognized Indian Tribal Governments.
- 24 CFR Part 135, Economic Opportunities for Low-and Very-Low Income Persons
- 24 CFR Part 943 PHA Consortia and Joint Ventures
- 24 CFR Part 963 Public Housing, Contracting with Resident Owned Businesses
- 24 CFR Par 965 PHA Owned or Leased Projects
- 24 CFR Part 968, Public Housing Modernization
- 24 CFR Part 990, The Public Housing Operating Fund Program

In cases where the Federal standards are stricter than State or local law, the HPHA will comply with the applicable Federal law and rules. If State law is stricter than the Federal standards, the HPHA will comply with the State law and rules. Additional guidance on dealing with State rules governing procurement shall be handled as detailed in HUD Handbook 746038, Rev 2.

To prevent HUD from requesting changes to based on State rules changes. Allows ED to expeditiously implement rule changes.

In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with this Policy automatically supersede this Policy. Changes to State and local procurement rules may also be implemented under procurement circular, directive, administrative rule issued by the State's Governor, Comptroller, or the State Procurement Office.

E. Public Access to Procurement Information

Procurement information shall be a matter of public record to the extent provided in Chapter 92F, HRS, Uniform Information Practices Act and shall be available to the public as provided in that statute.

II. ETHICS IN PUBLIC CONTRACTING

A. General

Every employee, officer and Board or Directors (Board) member is expected to adhere to the highest standards of ethical behavior when acting on behalf of the HPHA. Said persons should avoid conflicts between their duties to HPHA and their own personal interests. The HPHA shall adhere to a code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. The HPHA's Standards of Conduct is consistent with applicable Federal, State or local law. Non-compliance with the HPHA's policy on Standards of Conduct may result in disciplinary action, which may include termination of employment or removal from the HPHA Board of Directors.

For clarification that HPHA's procurement policy does not supersede the HPHA's Standards of Conduct.

The following is a general overview of the HPHA's Standards of Conduct (adopted 12/18/03) and the provisions are not exhaustive. In the event the HPHA's Standards of Conduct is modified or a new Standard is adopted, the revised Standard shall supersede the policy summarized herein.

B. Conflict of Interest

No employee, officer, Board member, or agent of the HPHA shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below was a financial or any type of interest in a firm competing for the award:

1. An employee, officer, Board member, or agent involved in making the award;

2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister);
3. His/her partner; or
4. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above relatives.

C. Gratuities, Kickbacks, and Use of Confidential Information

No officer, employee, Board member, or agent shall ask for or accept gratuities, favors, or items of more than \$25 in value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

D. Prohibition Against Contingent Fees

Contractors wanting to do business with the HPHA must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for a bona fide established commercial selling agency.

III. PROCUREMENT AUTHORITY AND ADMINISTRATION

A. Delegation of Contracting Authority

Other than approval of this Policy, approval by the Board of Directors is not required for any procurement action, as permitted under Federal, State and local law. It is the responsibility of the Executive Director to ensure that all procurement actions are conducted in accordance with the policies contained herein.

While the Executive Director is responsible for ensuring that the HPHA's procurements comply with this Policy, the Executive Director may delegate all procurement authority as is necessary and appropriate to conduct business of the Agency. Each contract or purchasing action that obligates the HPHA to pay a contractor or vendor must be signed or otherwise authorized by an individual to whom the HPHA has expressly delegated the authority to make such an obligation.

As requested
by HUD.

With the adoption of this Policy, the Executive Director delegates all procurement authority as is necessary to conduct business of the Agency to the Procurement Officer, regardless of the source of funds and dollar amount. The Executive Director also authorizes the Procurement Officer to make further delegations of procurement authority up to the small purchase threshold as established by Federal, State or local laws,

whichever is lower. The Procurement Officer shall execute secondary delegations only with the written approval of the Executive Director.

As requested
by SPO.

The Executive Director also delegates authority as necessary to the Procurement Officer to approve and execute requests to the State Procurement Office, including but not limited the following:

SPO-01	Notice and Request for Sole Source
SPO-01B	Notice of Amendment to Sole Source Contract
SPO-02	Emergency Procurement Request
SPO-03	Request for Extension on Time on Contracts
SPO-05	SPO Price List Purchase Exemptions
SPO-05A	Request for Authorization to Purchase Outside the Price List for Statewide Publication of Public Notice
SPO-07	Notice of and Request for Exemption From Chapter 103D, HRS
SPO-07B	Notice of Amendment to Exemption From Chapter 103D, HRS
SPO-11	Inquiries on Chapter 103D, HRS and/or Administrative Rules
SPO-15	Alternative Procurement Method
SPO-16	Procurement Violation
SPO-18	Procurement Services Request
SPO-18A	Request for Review Services
SPO-H-300	Request for After-the-Fact Secondary Purchase
SPO-H-600	Request for Crisis Purchase of Service
SPO-H-805	Response to Request for Clarification
SPO-H-807	Response to Formal Protest
	Report on Planned Purchases for Health and Human Services

This delegation is intended to include all future revisions to the list above by the State Procurement Office, the Department of Accounting and General Services and the State Comptroller.

B. Procurement Administration

The Executive Director or his/her designee shall:

1. Ensure that this Procurement Policy and any later changes shall be submitted to the Board of Directors for approval.
2. Establish operational procedures (such as a procurement manual or standard procedures) to implement this procurement Policy.
3. Establish a system of sanctions for violations of the ethical standards described in Section II above, consistent with Federal, State or local law.

C. Procurement Planning

The HPHA recognizes that advanced planning is essential to managing the procurement function properly. Hence, the HPHA will periodically review its record of prior purchases, as well as future needs, to: find patterns of procurement actions that could be performed more efficiently or economically; maximize competition and competitive pricing among contracts and decrease the HPHA's procurement costs; reduce administrative costs; ensure that supplies and services are obtained without any need for re-procurement (e.g., resolving bid protests); and minimizing errors that occur when there is inadequate lead time. Consideration should be given to the storage, security, and handling requirements when planning the most appropriate purchasing actions.

CPO request.

Prior to the start of each fiscal year, each Branch shall submit an advance procurement plan to the Executive Director and his/her designated representative.

D. Funding Availability

Before initiating any contract, the HPHA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification. Any employee, officer, or Board member who negotiates and enters into a verbal or written unauthorized commitment of HPHA funds may be subject to disciplinary action and/or sanctions as allowable under Federal, State, or local law.

E. Staffing and Training

The HPHA shall establish training and experience standards for its procurement positions. The Procurement Officer shall periodically review the HPHA's procurement operations to ensure that personnel meet those standards.

HUD
Handbook
7460.8 R2

IV. PURCHASING METHODS

A. Petty Cash Purchases

Purchases under \$25 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one month). For all Petty Cash Accounts, the HPHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts should be reconciled and replenished periodically.

B. Small Purchases Procedures

For any amounts above the Petty Cash ceiling, but not exceeding \$50,000, the HPHA may use small purchase procedures.

Under small purchase procedures, the HPHA shall obtain a reasonable number of quotes (preferably three); however, for purchases of less than \$2,000 also known as Micro

HUD
threshold
\$2,000;

SPO
threshold
\$2,500;

HPHA
threshold
\$1,000

Purchases only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Time permitting, the HPHA shall: 1) obtain a reasonable number of quotes for Micro Purchases more than \$2,000; or 2) document that the proposed purchase price is reasonable based on past purchases or catalog sales.

Quotes may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the qualified vendor that provides the best value to the HPHA. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file.

The HPHA shall be allowed to purchase its requirements from price or vendor lists issued by the State Procurement Office that are in compliance with these Policies.

The HPHA shall not breakdown requirements aggregating more than the small purchase threshold (or Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to 1) permit the use of the small purchase procedures or 2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold.

The establishment of this policy on small purchases is intended to incorporate future revisions issued by the State Procurement Office regarding policies governing small purchases. If there is a direct conflict between future revisions and any federal laws, rules, and regulations, the federal laws, rules and regulations shall prevail for purchases executed with federal funds.

Addresses potential need to revise the SOPP for procedural changes by the State.

C. Sealed Bids

Sealed bidding shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this document. Under sealed bids, the HPHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all material terms and conditions of the Invitation for Bids (IFB) is the lowest in price. Sealed bidding is the preferred method of procuring construction, supply, and non-complex service contracts that are expected to exceed \$50,000.

1. Conditions for Using Sealed Bids.

The HPHA shall use the sealed bid method if the following conditions are present: a complete, adequate, and realistic statement of work, specifications or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price.

Clarification
of old SoPP

The following contracts shall not be solicited under the sealed bid method:
1) Professional Services; 2) Health and Human Services; 3) Design-Build Construction projects; and 4) any other contract where a complete statement of work or specification cannot be established prior to solicitation.

2. Solicitation and Receipt of Bids.

An IFB is issued with the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and public bid opening. All bids received will be date and time-stamped and stored unopened in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening.

3. Pre-Bid Conference

From HUD
Handbook
7460.8

After an IFB is issued and before bids are due, the HPHA may conduct a pre-bid conference to discuss the project's requirements. Notice of any scheduled conference shall be included in the IFB. A written summary of the conference must be made available to anyone requesting it. Any changes to a solicitation shall be issued under an addendum.

Attendance, while desirable, should not be mandatory and non-attendees should not be deemed non-responsive. To impose a requirement to attend a pre-bid conference could unnecessarily limit competition.

From §3-122-
16.05 HAR

For all construction projects, the HPHA must hold a pre-bid conference. For State funded construction projects, the HPHA may require mandatory attendance if stated in the public notice and prominently listed in the solicitation.

4. Bid Opening and Award.

Sealed bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, and then made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB.

If only one responsible bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis and shall be subject to conditions governing non-competitive proposals.

For clarification,
based on recent
errors found in
IFBs.

Bid prices that exceed the independent cost estimate or available funds are not open to negotiation.

5. Mistakes in Bids.

Correction or withdrawal of bids is permitted, where appropriate, before bid opening by written, or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening.

After bid opening, corrections in bids may be permitted only if the bidder can show by clear and convincing evidence that a mistake of a non-judgemental character was made, the nature of the mistake and the bid price actually intended. A low bidder alleging a non-judgemental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of a bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made.

All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Procurement Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interests of the HPHA or fair competition shall not be permitted.

D. Competitive Sealed Proposals

Unlike sealed bidding, the competitive proposal method permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is normally made on the basis of the proposal that represents the best overall value to the HPHA, considering price and other factors (e.g., technical expertise, past experience, quality of proposed staffing, etc.) set in the solicitation and not solely the lowest price.

1. Conditions for Use

Where conditions are not appropriate for the use of sealed bidding competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold.

2. Form of Solicitation

Other than Architect/Engineering (A/E) services, competitive proposals shall be solicited through the issuance of an RFP. The RFP shall clearly identify the important and relative value of each of the evaluation factors as well as any subfactors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued.

Proposals shall be handled so as to prevent disclosure of the number of offerors, identify the offerors, and the contents of their proposals until after award. The HPHA may assign a price specific weight in the evaluation criteria. The HPHA may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.

3. Evaluation

The proposal shall be evaluated only on the criteria stated in the RFP. Where not apparent from the evaluation criteria, the HPHA shall establish an Evaluation Plan for each RFP. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.

Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee. A copy of the document identifying any committee members and any subsequent changes thereto must be placed in the contract files. The Evaluation Committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services or construction to be procured. The Evaluation Committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure statement.

4. Negotiations

Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals.

No offeror shall be given any information about any other offerors proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations.

Negotiations are exchanges (in either competitive or sole source environment) between the HPHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract.

When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions. Discussions are tailored to each offeror's proposal, and shall be conducted by the

contracting officer with each offeror within the competitive range. The primary object of discussions is to maximize the HPHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation.

The Procurement Officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposers potential for award. The scope and extent of discussions are a matter of the Procurement Officer's judgment. The contracting officer may inform an offeror that its price is considered by the PHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that the governments price analysis, market research, and other reviews have identified as reasonable.

Auctioning (revealing one offerors price in an attempt to get another offeror to lower their price) is strictly prohibited.

5. Award

After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to the HPHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity.

6. A/E Services

The HPHA must contract for A/E services using Qualifications Based Selection (QBS) procedures, utilizing a RFQ. Sealed bidding shall not be used for A/E solicitations. Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures shall not be used to purchase other types of services, though architectural/engineering firms are potential sources.

E. Requests for Qualifications

The QBS method is conducted using an RFQ. Under the QBS method, the HPHA shall select the highest ranked respondent on technical factors and then negotiates price.

The QBS methods can only be used for A/E services or developer's related contracts, or when specifically authorized by HUD. The QBS method cannot be used to contract for other services that may be provided by an A/E firm.

1. Evaluation Factors

The following factors are recommended for modernization contracts:

- a. Evidence of the A/E's or firm's ability to perform the work;
- b. Capability to provide services in a timely manner;
- c. Evidence that the A/E is registered in the State and carries Errors and Omissions insurance;
- d. Past performance in terms of cost control, quality of work, and compliance with performance scheduled;
- e. Demonstrated knowledge of local building codes and Federal building alteration requirements; and
- f. Other factors determined to be important to HPHA.

2. Inadequate Response to Solicitation

If the HPHA received fewer than three proposals, the HPHA will analyze and document the reasons for the inadequate response. The HPHA may either reject the proposals and issue a revised solicitation or the HPHA may proceed to evaluate the proposals as deemed appropriate.

F. Noncompetitive Proposals

1. Conditions for Use

Procurement by noncompetitive proposals (sole-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:

- a. The item is available only from a single source, based on a good faith review of available sources;
- b. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the HPHA, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency;
- c. The State Procurement Office and HUD authorizes the use of noncompetitive proposals. (HUD approval is not required for State-funded procurements.); or
- d. After solicitation of a number of sources, competition is determined inadequate, or only one offeror responds. This condition does not apply to procurements using State funds.

Clarification
between State
and Federal
funded
purchases.

2. Justification

Each procurement based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Chief Procurement Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements.

The justification, to be included in the procurement file, should include the following information:

- a. Description of the requirement;
- b. History of prior purchases and their nature (competitive vs. noncompetitive);
- c. The specific exception in 24 CFR 85.36(d)(4)(i)(A) through (D) which applies (for federally funded procurements only);
- d. Statement as to the unique circumstances that require award by noncompetitive proposals;
- e. Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);
- f. Statement as to efforts that will be taken in the future to promote competition for the requirement;
- g. Signature by the Chief Procurement Officer; and
- h. Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this Policy.

G. Cooperative Purchasing/Intergovernmental Agreements

The HPHA may enter into State and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions.

The HPHA may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with 24 CFR 85.36.

V. INDEPENDENT COST ESTIMATE

For all purchases above the micro purchase threshold, the HPHA shall prepare an independent cost estimate (ICE) prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

From HUD
Handbook
7460.8 R2

The contracting office is responsible for the preparation of the ICE, and may obtain assistance from other personnel (e.g., the end user, or budget and finance) are usually involved and may actually do most of the preparation. The HPHA may develop the ICE using its own employees, outside parties (e.g., consultants), or a combination of the two. If any outside party (whether compensated or not) assists in developing the ICE, the HPHA shall take appropriate steps to ensure that organizational conflicts of interest are avoided and that an outside party does not obtain any competitive advantage from its advance knowledge of the HPHAs cost estimate.

For purchases above \$2,000 but less than the HPHA's small purchase threshold, documentation will be kept to a minimum. The ICE may be based on prior purchases, commercial catalogs, or detailed analyses (e.g., purchases for services).

For purchases above the HPHA's small purchase threshold, the level of detail will vary but should be commensurate with the size (i.e., dollar value), complexity, and commercial nature of the requirement. ICEs will normally be broken out into major categories of cost (e.g., labor, materials, and other direct costs such as travel, overhead, and profit). Commercially available products and services may require less detail as the marketplace tends to provide current reliable pricing information for commercially available products; HPHA may also not need to break out components. Non-commercial type requirements, and work designed specifically for the HPHA, will require much more extensive estimation and a detailed ICE.

The ICE will serve as the primary in-house gauge of cost and price reasonableness, but may not be relied upon to the exclusion of other sources of pricing information. Market conditions may fluctuate between the time the ICE is prepared and the receipt of offers. For example, materials or labor costs may have increased or decreased. If a significant period of time has elapsed, or the HPHA knows that certain market conditions have changed, the Procurement Officer may request that an updated ICE be prepared to use in evaluating offers.

VI. COST AND PRICE ANALYSIS

The HPHA shall require assurances that, before entering into a contract, the price is reasonable, in accordance with the following instructions.

A. Petty Cash and Micro Purchases

No formal cost or price analysis is required. Rather, the execution of a contract by the Procurement Officer (through a Purchase Order or other means) shall serve as the

Procurement Officer's determination that the price obtained is reasonable, which may be based on prior experience or other factors.

B. Small Purchases

A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes is not obtained to establish reasonableness through price competition, the requisitioner shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis.

C. Sealed Bids

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where the HPHA cannot reasonably determine price reasonableness, the HPHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.

D. Competitive Proposals

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, the HPHA must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, the HPHA must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable.

E. Contract Modifications

A cost analysis, consistent with federal guidelines, will be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$50,000.

VII. SOLICITATION AND ADVERTISING

A. Method of Solicitation

1. Petty Cash and Micro Purchases. The HPHA may contact only one source, if the price is considered reasonable.
2. Small Purchases. Quotes may be solicited orally, through fax, or by any other reasonable method.

3. Sealed Bids and Competitive Proposals. Solicitation must be done publicly. The HPHA must use one or more following solicitation methods, provided that the method employed provides for meaningful competition.
 - a. Advertising in newspapers or other print mediums of local or general circulations. Advertisements in local newspapers should be published in the local newspaper where the service or construction is to be delivered.
 - b. Advertising in various trade journals or publications (for construction).
 - c. E-Procurement. The HPHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 24 CFR 85.36, State and local requirements, and the Authority's procurement policy.

B. Time Frame

For purchases of more than \$50,000, the public notice should run not less than once each week for two consecutive weeks.

C. Form

Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact who can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s).

D. Time Period for Submission of Bids

A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals. However, the Executive Director/Chief Procurement Officer may allow for a shorter period under extraordinary circumstances and/or when it has been determined that the HPHA would still receive adequate competition under a shorter notice. A copy of the Executive Director's written determination shall be maintained in the contract file.

State requirements.

E. Cancellation of Solicitations

1. An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:
 - a. The supplies, services or construction is no longer required;
 - b. The funds are no longer available;
 - c. Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
 - d. Other similar reasons.
2. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
 - a. The supplies or services (including construction) are no longer required;

- b. Ambiguous or otherwise inadequate specifications were part of the solicitation;
 - c. All factors of significance to the HPHA were not considered;
 - d. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 - e. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
 - f. For good cause of a similar nature when it is in the best interest of the HPHA.
3. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
4. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any resolicitation or future procurement of similar items.
5. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or the HPHA's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Procurement Officer may cancel the solicitation and either:
 - a. Re-solicit using an RFP; or
 - b. Complete the procurement by using the competitive proposal method. The Procurement Officer must determine, in writing, that such action is appropriate, must inform all bidders of the HPHA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
6. If problems are found with the specifications, HPHA should cancel the solicitation, revise the specifications and resolicit using an IFB.

F. Credit (or Purchasing) Cards

Credit card usage should follow the rules for all other small purchases. For example, the Procurement Officer may use a credit card for micro purchases without obtaining additional quotes provided the price is considered reasonable. However, for amounts above the micro purchase level, the Procurement Officer would generally need to have obtained a reasonable number of quotes before purchasing via a credit card.

When using credit cards, the HPHA will adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards). The use and administration of the HPHA's purchasing card program is subject to policies issued by the State Procurement Office.

VIII. BONDING REQUIREMENTS

The standards under this section apply to construction contracts that exceed \$50,000. There are no bonding requirements for small purchases or for competitive proposals. The FHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds. Use of performance bonds with State funded non-construction contracts requires prior written approval by the State Procurement Office. There are no requirements for bid, payment or performance bonds for small purchases.

1. Bid Bonds

For construction contracts exceeding \$50,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.

2. Payment Bonds

For construction contracts exceeding \$50,000, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:

- a. A performance bond and a payment bond both in a penal sum of 100% of the contract price; or
- b. Separate performance and payment bonds, each for 50 % or more of the contract price; or
- c. A 20 % cash escrow; or
- d. A 25 % irrevocable letter of credit.

These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State where the work is to be performed. Individual sureties shall not be considered. U. S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies on this circular is mandatory.

IX. CONTRACTOR QUALIFICATIONS AND DUTIES

A. Contractor Responsibility

The HPHA shall not award any contract until the prospective contractor, i.e., low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

1. Have adequate financial resources to perform the contract, or the ability to obtain them;

2. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the bidders/offerors existing commercial and governmental business commitments;
3. Have a satisfactory performance record;
4. Have a satisfactory record of integrity and business ethics;
5. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
6. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
7. Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed LDP.

If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the official contract file, and the prospective contractor shall be advised of the reasons for the determination.

B. Suspension and Debarment

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (24 CFR Part 24) or by other Federal agencies, e.g., Department of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings.

C. Vendor Lists

All interested businesses shall be given the opportunity to be included on vendor mailing lists. Any lists of persons, firms, or products which are used in the purchase of supplies and services (including construction) shall be kept current and include enough sources to ensure competition.

X. DETERMINING RESPONSIVENESS

The HPHA shall not award any contract unless it has been determined that a bid offer is responsive. To be considered responsive, a bid must conform to the material requirements of the IFB. Bid offers may be deemed non-responsive for the following:

1. Unless specifically provided for in the solicitation, multiple or alternate offers shall not be accepted and all such offers shall be rejected.
2. Any offer which is conditioned upon receiving a contract other than is provided for in the solicitation shall be deemed non-responsive and not acceptable.
3. Any offer submitted in response to an invitation for competitive sealed bids which conditioned by proposed changes to the scope of work shall be deemed non-responsive.
4. Any offer submitted via facsimile machine, electronic mail, or through an electronic procurement system shall be acceptable only when specifically allowed

in the invitation for bids or request for proposal and for a purchase below the small purchase threshold.

Minor informalities are not grounds for determining a bid to be non-responsive.

XI. CONTRACT PRICING ARRANGEMENTS

A. Contract Types

Any type of contract which is appropriate to the procurement and which will promote the best interests of the HPHA may be used, provided that the cost -plus-a-percentage-of-cost and percentage-of-construction-cost methods are not used. All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and the HPHA.

For all cost reimbursement contracts, HPHA must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk.

B. Options

Options for additional quantities or performance periods may be included in contracts, provided that:

1. The option is contained in the solicitation;
2. The option is a unilateral right of the HPHA;
3. The contract states a limit on the additional quantities and the overall term of the contract;
4. The options are evaluated as part of the initial competition;
5. The contract states the period within which the options may be exercised;
6. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
7. The options may be exercised only if determined to be more advantageous to HPHA than conducting a new procurement.

C. Employment Contracts

Employment contracts are part of the personnel process and are subject to those rules and regulations. Independent services contract, where there is no employer-employee relationship, is considered a procurement action and subject to applicable procurement rules.

Clarification in
HUD
Handbook
7460.8

XII. CONTRACT CLAUSES

All contracts should identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the HPHA

Additionally, for public housing procurements, the forms HUD-5369, 5369-A, 5369-B, 5369, 5370, 5370-C, and 51915-A , which contain all HUD-required clauses and certifications for contracts of more than \$50,000, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by the HPHA.

XIII. CONTRACT ADMINISTRATION

The HPHA shall maintain a system of contract administration designed to ensure that contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters.

For cost-reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in HUD Handbook 2210.18 and the Hawaii Administrative Rules.

The HPHA shall establish systems for ensuring that the items required by contract are received in accordance with contract terms. Payment shall be processed promptly once goods and/or services are received. No payments shall be processed without adequate verification that goods and services are satisfactorily received.

HUD
Handbook
7460.8

XIV. SPECIFICATIONS

A. General

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying HPHA needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible.

Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

HUD
Handbook
7460.8

Contractors funded to develop or draft specifications, requirements, statements of work, invitations for bids, or request for proposals shall be excluded from competing in the procurement.

B. Limitation

The following types of specifications shall be avoided:

1. Geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);
2. Brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur.

XV. APPEALS AND REMEDIES

A. General

It is HPHA's policy to resolve all contractual issues informally and without litigation. Disputes will not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences.

B. Informal Appeals Procedure

The HPHA shall adopt an informal bid protest/appeal procedure for contracts of \$50,000 or less. Under these procedures, the bidder/contractor may request to meet with the appropriate Contract Administrator Officer. If the informal bid protest cannot be resolved by the Contract Administrator, the party filing the protest may appeal to the Procurement Officer.

C. Formal Appeals Procedure

A formal appeals procedure shall be established for solicitations/contracts of more than \$50,000.

1. Bid Protest

Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after the contractor receives notice of the contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Procurement Officer or designee, who shall issue a written decision on the matter.

Per §HAR

The Procurement Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant. For State funded procurements, written approval by the State Procurement Office Administrator is required in order to proceed to contract.

2. Contractor Claims

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Procurement Officer for a written decision. The contractor may request a conference on the claim. The Procurement Officer's decision shall inform the contractor of its appeal rights to the next higher level of authority in HPHA. Contractor claims shall be governed by the Changes clause in the form HUD-5370.

XVI. ASSISTANCE TO SMALL AND OTHER BUSINESSES

A. Required Efforts

Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority-owned businesses, womens' business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of the HPHA project are used when possible. Such efforts shall include, but shall not be limited to:

1. Including such firms, when qualified, on solicitation mailing lists;
2. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
6. Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 businesses); and

7. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above. Goals shall be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in FHA prime contracts and subcontracting opportunities.

B. Definitions

1. A small business is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR Part 121 should be used to determine business size.
2. A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.
3. A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
4. A Section 3 business concern is as defined under 24 CFR Part 135.
5. A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

XVII. DOCUMENTATION

The FHA must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:

1. Rationale for the method of procurement (if not self-evident);
2. Rationale of contract pricing arrangement (also if not self-evident);
3. Reason for accepting or rejecting the bids or offers;
4. Basis for the contract price (as prescribed in this handbook);
5. A copy of the contract documents awarded or issued and signed by the Contracting Officer;
6. Basis for contract modifications; and
7. Related contract administration actions.

The level of documentation should be commensurate with the value of the procurement. In general, records are to be retained for a period of three years after final payment and all matters pertaining to the contract are closed. Each Contract Administrator shall be responsible to confirm the record retention requirements for their specific funding source.

Reviewed and Approved by the Executive Director 
August 16, 2007

FOR ACTION

SUBJECT: Reappointment of Ms. Ludvina Takahashi, and Mr. Gary Mackler to the Kauai Eviction Board for a Two-Year Term Expiring on August 31, 2009

I. FACTS

- A. The Kauai Eviction Board, composed of members of the community, is responsible for affording public housing tenants a full and fair hearing during lease termination proceedings.
- B. Pursuant to HRS 356D, the Authority is authorized to appoint an eviction board in each county to hear cases referred for eviction. In accordance with HRS 356D, the Eviction Board has an authorized composition of at least three members, one of which must be a resident of public housing.
- C. Having more than the minimum amount of members appointed to the Kauai Eviction Board will allow the Hearings Office to process the requests for hearing in an efficient and timely manner, and avoid cancellation of hearings for lack of quorum.
- D. Ms. Ludvina Takahashi is a resident of Kekaha, Kauai. She is the Executive on Aging for the Kauai County Agency on Elderly Affairs located in Lihue. Ms. Takahashi has much experience and knowledge about the issues faced by seniors and her insight and experience would be an asset to this board. Ms. Takahashi has expressed her willingness to serve as a member of the Kauai Eviction Board for an additional two-year term.
- E. Mr. Gary Mackler is a resident of Kauai. He is presently employed at the Kauai County Housing Agency as the Development Coordinator. Mr. Mackler's experience with housing issues will be helpful as he serves on this eviction board. Mr. Mackler has served as a member of the Kauai Hearings Board and has expressed an interest to serve on the Kauai Eviction Board for another two-year term.

II. RECOMMENDATION

Reappointment of Ms. Ludvina Takahashi and Mr. Gary Mackler to the Kauai Eviction Board for a Two-Year Term Expiring on August 31, 2009.

Prepared by: Lili A. Funakoshi, Hearings Officer 

Approved by the Board of Directors at its meeting on
AUG 16 2007

HEARINGS OFFICE

Please take necessary action



EXECUTIVE DIRECTOR

LINDA LINGLE
GOVERNOR



CHAD K. TANIGUCHI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817
FAX (808) 832-6030

IN REPLY PLEASE REFER TO:

2007:HPB/233

July 13, 2007

Mr. Mark A. Chandler
U.S. Dept. of Housing and Urban Development
Community Planning and Development
500 Ala Moana Blvd., Suite 3A
Honolulu, Hawaii 96813

RE: Response to Results of Monitoring Visit for Emergency Shelter Grant Program (ESG)
Grant Numbers: S-06-DC-150001, S-05-DC-150001, and S-04-DC-150001

Dear Mr. Chandler:

Thank you for your letter dated June 5, 2007. The State of Hawaii, Hawaii Public Housing Authority (HPHA) response to the results of on-site monitoring visit April 2-5, 2007 Emergency Shelter Grant Program (ESG) is as follows:

CPD Finding M07-034 (PRC) – Procurement and Cost Allowability

1. The State concurs that all current ESG funded contracts should be amended or terminated. All current ESG contracts ended on June 30, 2007, with the exception of the contract with Kauai Economic Opportunity. The contract with Kauai Economic Opportunity was amended to include only the cost of operation of their emergency shelter and will end on June 30, 2008. The contract was also amended to incorporate ESG workplan forms. A copy of the contract will be forwarded to HUD upon execution of all the amendments.
2. The State has also solicited new proposals from the three counties that are restricted to emergency shelter operations as the sole eligible activity in all future uses of ESG funds. The State will also identify the allowable operations activity in the scope of services, which is part of the provider's contract. The statement of work will also identify the shelter as the ESG project. Since the State will be allowing only operations as the sole eligible cost, there will only be one budget, no personnel expenses, and no limitations on the expenses other than the operating costs defined in 42 U.S.C. 11371.

HUD definition under Definitions 42 U.S.C. 11371

4. The term "operating costs" means expenses incurred by the recipient operating a facility assisted under this subtitle with respect to –
 - a. The administration, maintenance, repair, and security of such housing; and
 - b. Utilities, fuels, furnishings, and equipment for such housing.

Eligible Activities 24 CFR 576.21 (a) (3)

3. Payment for shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings. Not more than 10 percent of the grant amount may be used for costs of staff.
3. The State was in the process of reconciling all of the voucher payments for East Hawaii Coalition for the Homeless for Hale O Puna and Kauai Economic Opportunity housing placement program funded by ESG. However, the staffer who was working on the reconciliation took a leave of absence under temporary disability insurance. He has since resigned without returning to work. Hence, while another cross trained staff member was able to keep the program functioning and write up the information for the Annual Action Plan, his regular duties prevented the resumption of the voucher reconciliation. We have a new employee beginning employment of July 16, who will be learning the ESG program and work on the voucher reconciliation. She will complete a report to HUD by Sept. 30, 2007, with a monthly progress report on August 30, 2007.

CPD Concern M07-035 (PER) – Subrecipient Monitoring

1. The State has an effective ESG monitoring plan in place, however, through the evolution of staff handling the program, the State failed to clearly understand that HUD wanted the monitoring results included in the CAPER. However, now that we are aware of HUD's desire to see the CAPER reflect the monitoring results, the State will immediately comply.
2. As a result of item one above, wherein the monitoring results were not reported in the CAPER as expected by HUD, it is understandable that HUD would assume that the State "has not completed on-site monitoring of almost all ESG funded projects in at least three years". However, the State did conduct onsite monitoring of the following agencies:
 - Kauai Economic Opportunity – February 24, 2005
 - Maui Economic Concerns of the Community – February 16, 2006
 - EHCH – February 17, 2004
 - Child and Family Service – November 15, 2004
 - Women Helping Women – February 16, 2006

The monitoring results for the site visits listed above are submitted for your review.

Additionally, the State concurs with plans to perform comprehensive on-site monitoring of 50% of the ESG programs in the Spring of 2008 and then the other 50% for the Spring of 2009. The suggested schedule coordinates perfectly with the State's schedule of on-site monitoring of every contracted agency every other year. The State will then conduct risk based monitoring on an annual basis thereafter.

Mr. Mark A. Chandler
June 13, 2007
Page 3

If you have any questions, please feel free to contact Mr. Brian Johnson at 832-5930. Thank you for your attention to this matter.

Sincerely,

Chad K. Taniguchi



U.S. Department of Housing and Urban Development

Honolulu Field Office – Region IX
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813
<http://www.hud.gov>
<http://www.espanol.hud.gov>

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JUNE

5 2007

Mr. Chad K. Taniguchi
Executive Director
Hawaii Public Housing Authority
1001 N. School Street
Honolulu, HI 96817

Dear Mr. Taniguchi:

**SUBJECT: Results of On-Site Monitoring Visit
April 2-5, 2007
Emergency Shelter Grant Program (ESG)
Grant Numbers: S-06-DC-150001, S-05-DC-150001, and S-04-DC-150001**

This letter is to convey the results of the U.S. Department of Housing and Urban Development's (HUD) on-site monitoring that was conducted on the State of Hawaii's (State's) Emergency Shelter Grant Program (ESG) from April 2-5, 2007 and additional off-site follow-up through May 22, 2007. Areas reviewed included project progress, supportive services and homeless prevention activities, subrecipient management, overall program management, cost allowability, and procurement.

Overall, the State is generally implementing the ESG program for its homeless population by providing emergency shelter and services to homeless persons and victims of domestic violence living on the neighbor islands. The State is providing the services and addressing the beneficiaries and subpopulations as proposed in its Annual Action Plans. However, HUD noted, several areas of concern. Those concerns are noted on the enclosed Schedule of Findings and Concerns as either a finding, which identifies a regulatory non-compliance issue, or a concern, which recognizes a program weakness.

The State will have 30 days from the date of this letter to address HUD's findings, concerns, and corrective actions. If corrective actions cannot be achieved within this time period, the State must provide the status of the corrective actions and the proposed completion dates within the 30-day period.

In closing, HUD would like to extend its appreciation to the State's staff for the assistance and courtesy provided during the monitoring review. Should you have any questions, please call, Richard Knight, Community Planning and Development Representative, at 808-522-8180, extension 263.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Chandler', with a long horizontal flourish extending to the right.

Mark A. Chandler, Director
Office of Community Planning
and Development

Enclosure

**SCHEDULE OF FINDINGS AND CONCERNS
ON-SITE MONITORING
STATE OF HAWAII, HAWAII PUBLIC HOUSING AUTHORITY
EMERGENCY SHELTER GRANT PROGRAM
APRIL 2-MAY 22, 2007**

Review Purpose:

U.S. Department of Housing and Urban Development (HUD) conducted an on-site monitoring visit of the State of Hawaii's (State) Emergency Shelter Grant Program (ESG) from April 2 to 5, 2007 and with additional follow-up through May 22, 2007. The State's ESG program is administered by the Hawaii Public Housing Authority.

Review Scope:

The monitoring consisted of a review and analysis of the State's ESG-funded program for the period July 1, 2004 through May 22, 2007 in the following areas:

- ESG Project Progress,
- ESG Supportive Services / Homeless Prevention,
- ESG Subrecipient Management,
- ESG Overall Management,
- ESG Cost Allowability,
- ESG Procurement,
- ESG Property and Equipment Disposition, and
- ESG Rehabilitation / Housing.

Summary

The State is generally implementing the ESG program and meeting the program objectives of providing emergency shelter and supportive services for its homeless population and victims of domestic violence by providing the services and addressing the beneficiaries and subpopulations as proposed in its Annual Action Plans. However, HUD found weaknesses in procurement, allowability of costs and project progress.

Findings

CPD Finding M07-034 (PRC) – Procurement and Cost Allowability

Criteria:

ESG Program regulations at 24 CFR 576.57(b) provide that the recipient must comply with the grant administrative requirements at 24 CFR 85 as well as the applicable Office of Management and Budget (OMB) Circulars. The ESG regulations at 24 CFR 576.21 clearly describe the eligible uses of ESG funds and limitations on certain expenses such as essential services and the salary component of shelter operations. ESG funds may only be expended to carry out the listed eligible activities. The overall grant administrative regulations at 24 CFR 85.36(d) provide for several methods of procurement, including the use of requests for proposals. OMB Circulars provide additional guidance on allowability of certain items of cost. HUD requires the State to use the Integrated Disbursement and Information System (IDIS) to set up projects and activities, document voucher payments, and report accomplishments. HUD requires that the project set-up in IDIS is the ESG assisted shelter and the IDIS activity is the ESG eligible activity funded at the shelter. HUD also requires the State to submit an Annual Action Plan (AAP) for each program year that identifies the ESG projects, activities and funding levels that the State will carry out during the program year. At the end of each program year, the State submits its Consolidated Annual Performance and Evaluation Report (CAPER) to HUD that provides information on the activities undertaken during the program year, the funds expended, and the accomplishments achieved. The information contained in the AAP and CAPER must be consistent with and supported by the data entered into the IDIS system.

Condition:

For the past several years, HUD has noted during the reviews of the State's AAPs and CAPERs that there have been discrepancies between the information reported in these documents and the IDIS system. In particular, both documents have incorrectly reported the proposed and actual expenditures for eligible ESG activities, including documentation of compliance with the ESG expense limitations for essential services and the salary component of shelter operations. The State had previously reported that it had corrected the discrepancies.

HUD reviewed the State's procurement records for the ESG program. None of the contracts reviewed contained a statement of work and associated budget that was consistent with the requirements for ESG eligible activities and allowable costs.

HUD reviewed a sample of voucher payments that were reported in the IDIS system for ESG activities. IDIS requires that each voucher payment be applied to a specific ESG eligible activity. Vouchers for reimbursement of expenses for the Kauai Economic Opportunity (KEO) project appeared to include general agency expenses for office supplies and not eligible ESG expenses. HUD is aware that KEO operates a Care-A-Van program but it was not clear from the information provided in the contracts that this was the intended recipient of the activity. HUD is not aware of any other activity undertaken by KEO during this time period that would qualify for the use of ESG funds.

The contract with EHCH beginning June 30, 2005 included \$13,600 for a project named "ESG Pahoa" and an additional \$36,500 for a project named "ESG EMERG." HUD was able to determine that the "ESG Pahoa" project was the Hale O Puna outreach/drop-in center and that the "ESG EMERG" was the Kihei Pua Emergency Shelter. A review of the budget for the Kihei Pua project revealed that even though the budget was confusing, the expenses were potentially eligible as operation, essential services and homeless prevention and were therefore, probably ESG eligible. The Hale O Puna center did not have any beds, did not function as a shelter and, therefore, did not qualify for use of ESG operations assistance. Many of the expenses for the Hale O Puna drop-in center appear to be organizational operating expenses and are therefore, ineligible. The questioned costs are:

Lease/rent space	\$2,000.00
Repair/maintenance	400.00
Telecommunications	1,500.00
Utilities	1,438.00
Direct Services	1,400.00
Total	\$6,738.00

A review of the contract with KEO beginning July 1, 2004, as amended, noted that the approved budget included several line items that did not appear to be eligible ESG program costs. The questioned costs include all items listed under "Other Current Expenses" and total \$8,058. Additionally, HUD was unable to determine based upon a review of the contract, the work to be performed for the salary component and therefore, these costs are also questioned. The total questioned costs for this contract is \$38,343. A review of another contract with KEO beginning June 30, 2005, and amended, noted similar issues with the approved budget. Both contract budgets include probable ineligible items such as:

- Audit services
- Contract services – administrative
- Liability insurance
- Lease/rental of equipment
- Mileage
- Postage
- Printing
- Supplies – program
- Pre-employment requirement
- Advertising.

The KEO 2005 contract was amended on February 13, 2007. Information contained with the amendment includes documentation indicating a majority of the salary and benefit expense was for the housing placement coordinator, which is a potentially eligible ESG expense. However, the position description was not included and HUD could not determine the eligibility of the projected expense.

The documentation also includes information indicating a portion of the salary and benefits for the fiscal officer, administrative officer, accountant and account clerk were also included in the ESG contract. The expenses for these positions are not eligible program costs and are questioned in the amount of \$2,220. The amended budget continued to include numerous ineligible items, as noted above, and did include one new item that may be eligible, security deposits / rental assistance, in the amount of \$9,460. However, there is no information to indicate how or when this assistance is provided or to whom. Therefore, the entire current expense budget of \$16,148 is questioned. Additionally, the budget includes a line item for KEO administrative expense of \$2,220 that is also questioned. This may be the same \$2,220 noted above for questioned salaries and benefits but it cannot be determined from the contract. Total questioned costs for this contract are \$20,588.

IDIS reports show that the EHCH activities have been completed but the amount expended is less than the contract amount. The IDIS activities for the KEO activities are still open, but include an activity for operations that is probably inappropriate since HUD has been advised that KEO does not operate an emergency shelter.

During the past several months, HUD has provided technical assistance to State staff on setting up ESG projects and activities in IDIS. HUD is aware that staff have attempted to address many of the IDIS documentation and reporting issues and HUD recognizes that the current year IDIS ESG activities appear to be set up in accordance with IDIS requirements with the shelter as the IDIS project and the ESG eligible activities as the IDIS activities under that project. Unfortunately, since the contracts, and even the recent amendment for KEO, do not provide a clear statement of work and budget consistent with ESG requirements, it is not possible to determine if the IDIS data is accurate and complete.

Cause:

The State issued a Request for Proposal (RFP-HPS-2004-2) for the ESG program on November 22, 2002. The RFP did include information on the ESG eligible activities and limitations on certain elements of expense as noted in the ESG regulations. However, the RFP did not require applicants to submit a statement of work and budget consistent with the ESG requirements. Instead, applicants were required to respond using a standard Budget, form SPO-H-204 (effective 10/01/98) that included numerous preprinted cost line items including several that are ineligible for the ESG program. The executed contracts incorporated these budget forms and failed to include sufficient information to document the potential ESG eligible activity and eligible expenses.

The State's failure to require applicants to submit a clear statement of work that defined the ESG eligible activity to be undertaken and an associated budget is the primary circumstance that resulted in inaccurate and incomplete information in the State's AAPs, CAPERS and IDIS reports. The use of inappropriate budget form in the RFP resulted in non-compliance with cost allowability and ESG eligibility requirements as well as with IDIS, AAP and CAPER requirements since the basic information necessary was never collected.

Consequence:

- IDIS data, including expenditure and beneficiary information for the ESG program, is not reliable since there is minimal correlation with the executed contracts and the data cannot be verified.
- The State cannot assure HUD that the expenditures charged to the ESG program are for eligible activities, are allowable costs, and meet the expense limitations as noted in the ESG regulations for salaries and essential services.
- Contracts with at least two entities resulted in over \$65,669 in questioned costs due to eligibility issues.
- HUD is unable to confirm that the IDIS activities identified as essential services, operations, and homeless prevention are accurate since the State did not amend any of the contracts to reflect appropriate ESG eligibility requirements.

Corrective Action:

1. The State should immediately amend or terminate all current ESG funded contracts that do not include a clear statement of work and appropriate budget that is consistent with the ESG program requirements.
2. The State must revise its procurement process to ensure that the contract requires that ESG funds are used for eligible activities and meet the requirements for limitations of certain expenses. Specifically, the statement of work must include the identification of the shelter as the ESG project, the specific ESG eligible activity for that project, and a budget consistent with the statement of work and eligible activity that separately identifies the line item expense. A separate budget should be provided for each eligible ESG activity. If ESG funds will be used for personnel expenses, then each position description must be included in the contract and only ESG eligible duties are to be reimbursed. Expense documentation for salaries must include personnel activity reports as required by OMB circulars.
3. The State must either immediately return to the ESG grant account all of the funds expended for the East Hawaii Coalition for the Homeless Hale O Puna project and the Kauai Economic Opportunity project or conduct a 100% review of the voucher payments for all contracts with these organization executed on or after July 1, 2004. The State must determine whether or not each expense is ESG eligible under either the essential services or homeless prevention activities. The State must report to HUD on the results of its review of this project. The report must include a copy of each voucher reviewed, a summary of the expenses by eligible activity and identification of any ineligible expenses. The State is expected to complete its review within 120 days of the date of this report and must include the status of the review in its monthly report to HUD. The State must reimburse the ESG grant for all ineligible expenses.

Concerns

CPD Concern M07-035 (PER) – Subrecipient Monitoring

Criteria:

ESG Program regulations at 24 CFR 576.57(b) provide that the recipient must comply with the grant administrative requirements at 24 CFR 85 as well as the applicable Office of Management and Budget (OMB) Circulars. The overall grant administrative regulations at 24 CFR 85.40(a) requires grantees to monitor grant and subgrant activities and requires monitoring of each program, function or activity. HUD requires the State to submit an Annual Action Plan (AAP) for each program year that includes its monitoring plan the ESG program. At the end of each program year, the State submits its Consolidated Annual Performance and Evaluation Report (CAPER) to HUD that includes the results of its monitoring activities. The ESG grant provides administrative funds that may be used for monitoring activities.

Condition:

HUD requested the State to provide documentation of its monitoring activities for the selected grants. The State provided documentation of on-site monitoring of only one activity – the Women Helping Women domestic violence shelter project funded by the PY 2005 ESG grant. The State asserted that it monitors its subrecipients by reviewing applications and vouchers to ensure compliance. HUD separately noted non-compliance with procurement and cost allowability. Therefore, HUD is concerned that the State's limited on-site monitoring and review of documentation is not effective.

The State noted in its AAP for Program Year 2005 that it "will conduct site visits to each of the agencies that administer the ESG program." The CAPER for the Program Year noted that only Women Helping Women was monitored and did not explain why the State did not meet its own AAP requirements. The State repeated its commitment to monitor all ESG agencies in its 2006 AAP. The CAPER is not yet due, but the State did not provide any documentation of on-site monitoring for Program Year 2006 activities in response to HUD's request for copies of all monitoring reports for the specified grant years.

Cause:

The State does not appear to have made ESG on-site monitoring a priority even though it has stated in its AAP that it will conduct the on-site monitoring.

Consequence:

HUD cannot be assured that the ESG funded activities provide the services identified in the State's AAP or that the accomplishments reported in the CAPER are accurate.

Recommended Action:

1. The State should develop and implement an effective ESG monitoring plan, summarize key items in its AAP, and summarize the results of its monitoring in the CAPER. The summaries should clearly note the distinction between on-site and remote monitoring.
2. Since the State has not completed on-site monitoring of almost all ESG funded projects in at least three years, the State should perform comprehensive on-site reviews of all ESG assisted projects over the next two program years (50 % each year) and then conduct risk based monitoring on an annual basis thereafter.

Hawaii Public Housing Authority
1002 North School Street, Honolulu, Hawaii 96817
(808) 620-1052 • Fax (808) 832-6030

**REQUEST FOR PROPOSAL (RFP) HPHA Job # 07-043-000-Z
FOR AN
ENERGY PERFORMANCE CONTRACTING PROJECT**

**Issued by: Hawaii Public Housing Authority
~~FINAL DRAFT - AUGUST 12, 2007~~**

Hawaii Public Housing Authority (hereinafter referred to as HPHA) is seeking specific proposals from interested Energy Services Companies (ESCOs) that are capable of providing comprehensive energy management and energy-related capital improvement services at the buildings described in Attachment A of this RFP. Note that this project addresses HPHA's HUD-subsidized public housing units only; however, HPHA intends to negotiate a separate contract for an investment-grade energy audit of certain State-funded public housing units, and herewith requests a cost proposal for that audit.

Questions regarding this RFP should be directed to Richard A. Speer, Project Engineer, at (808) 620-1052 or email: richard.speer@hcdch.hawaii.gov

I. PROJECT OVERVIEW

HPHA is interested in contracting for a full range of energy services and energy-related capital improvements (hereinafter referred to as project) designed to reduce energy and water use and related costs at its facility(s). These services and improvements are to be delivered on a performance contracting basis which may allow the HPHA to: (a) incur no initial capital cost, (b) achieve significant long term savings which are measured and verified, (c) obtain an annual savings guarantee which will be equal to or greater than the total annual project debt costs, (d) obtain consistent levels of occupant comfort and system functionality, (e) capture environmental benefits such as hazardous material disposal, and (f) finance the project through an installment payment or a lease purchase arrangement over an extended contract term. In addition, the cost structure of the performance contract should allow for the retention of an independent performance-contracting manager to oversee the EPC and ESCO, and represent HPHA's interests.

HPHA seeks to maximize energy savings and related improvements within the framework of the allowable HUD twenty (20) year contract term and available financing, therefore, ESCOs are encouraged to structure a project which provides the greatest possible energy, water, and operation and maintenance (O&M) savings and the most beneficial project scope for the HPHA. HPHA is interested in essential services and improvements that will reduce facility energy and water consumption, upgrade energy-related capital equipment, improve building operations and maintenance, save costs through fuel switching, improved demand management, and alternative utility tariffs or alternative commodity purchases, and aid in meeting HPHA's environmental management responsibilities.

II. GENERAL GUIDANCE

For project savings and cash flow demonstration purposes, the allowable rates of escalation and tax-exempt interest rate to be used in the proposal are detailed in Part IV, B-10 (ESCO's PRELIMINARY CASH FLOW ANALYSIS ENERGY PERFORMANCE CONTRACTING PROJECT) of this RFP.

Any stipulated energy and/or operational cost savings that may be attributed to this project will be rigorously reviewed and, if agreed to, will be limited to those that can be thoroughly documented and verified by the ESCO and approved by HPHA. . This will include energy (kWh) savings.

REQUIRED CAPABILITIES

The ESCO must have the demonstrated technical and managerial capabilities to provide a comprehensive set of energy and water services including, but not limited to, an investment grade audit, design, acquisition, installation, training and commissioning of new and/or existing energy systems as well as project monitoring and savings measurement and verification. Additional services may include operation and maintenance for all improvements and/or training of HPHA's staff on routine maintenance and operation of systems. Monitoring and verification services shall include appropriate measurement and timely monthly reporting of the performance and savings from project.

OVERVIEW OF TERMS AND CONDITIONS

Contract Term. No contract shall exceed 20 years in duration and may be subject to annual appropriations. The duration of the contract will be mutually determined between the ESCO and the HPHA based on authorizing legislation, final project scope and financial factors.

CAPITAL FUNDING EXPERIENCE AND PRICING. To the extent permitted by federal law and regulation, HPHA will consider expending Capital Fund proceeds for infrastructure and other capital needs to support supplemental capital investments paid for from savings in the energy performance contract. The successful ESCO may be engaged to carry out design and project management activities utilizing these funds.

Please describe any recent experience in combining Capital Fund proceeds with savings in Energy Performance Contracts for public housing authorities. Describe the measures, total dollar amount, and fees you earned for as many as three (3) such projects. *Please also describe this experience in addressing the proposal items below.*

NEW CONSTRUCTION AND MAJOR REHABILITATION EXPERIENCE. Please describe your involvement in design review, specifications drafting, and/or design for new or major rehabilitation projects in multifamily housing. Provide client names, project assigned, and tasks delivered for up to three such projects.

ASSET PLANNING EXPERIENCE. HPHA will soon be facing project-based management and a new regulatory environment from HUD, emphasizing the importance of long-term asset planning. Energy efficiency investments are important considerations in such planning, which may have time horizons of twenty (20) or more years.

Please describe any asset planning experience you have had in the government sector over the past three (3) years, with special mention of public housing. Include resumes of any staff with such experience and expertise.

Energy Performance Guarantee. The goal of this project is to achieve savings sufficient to cover all project costs including lease or installment payments and fees for maintenance; monitoring; training and other services, on an annual basis, for the duration of the contract term.

Financial Review. Detailed financial projections of project benefits are dependent upon the scope of technical measures finally selected and installed. It is premature to place a major emphasis on

projected financial benefits prior to the completion of the investment grade energy audit and negotiation of the project structure.

III. PROCUREMENT PROCESS

The evaluation and selection of an ESCO, and the negotiation and procurement of services will proceed as follows:

Proposal Meeting / Site Visits. There will be an inspection tour of the buildings described in this RFP immediately following the Pre-Proposal meeting. Knowledgeable representatives will be available to answer questions about the operation of the facilities. All ESCOs are encouraged to carefully review the facility profile information contained in Attachment A of this RFP and to visit the facilities in order to enhance their understanding of existing building conditions and opportunities. A **pre-proposal meeting / site visit** will be held on **September 11, 2007 at 2:00pm** commencing at the **Hawaii Public Housing Authority located at 1002 North School Street, Honolulu, Hawaii 96817**. For questions or to make arrangements for the walk-through inspection tour, please contact the following person:

Name: Richard A. Speer

Phone Number: (808) 620-1052

E-mail: richard.speer@hpha.hawaii.gov

Fax: (808) 832-6030

Submission of Written Proposals. ESCOs interested in providing the services requested, must respond in writing by the date listed in Part IV, Instructions to Proposers. All submissions become the property of HPHA and will not be returned to the ESCO. All costs associated with proposal preparation will be borne by the submitting ESCO.

Proposal Review and Selection of Finalists. HPHA will establish a Project Evaluation Team to review and evaluate the ESCOs' written responses to this RFP in accordance with the evaluation criteria identified in Part II of this document. The Project Evaluation Team will check client references, which will also be evaluated. HPHA intends to select no more than three (3) ESCOs as finalists.

HPHA reserves the right to reject any or all submissions and to waive informalities and minor irregularities in submissions received and to accept any submissions if deemed in the best interest of HPHA to do so.

ESCO Interviews and Ranking. Each of the finalist ESCOs will participate in a detailed oral interview to answer questions from the Project Evaluation Team and more fully discuss how its approach to this project satisfies the evaluation criteria. All persons with major responsibility for the project's technical design, management and contract negotiation should be present at the interview, however, no more than six (6) people may attend on behalf of an ESCO. Each oral interview may be recorded. A more complete description of the interview process and format will be sent to each of the finalist ESCOs. Based on results from the written responses to the RFP, client reference responses and the oral interviews, the Project Evaluation Team will rank the finalist ESCOs. Contract negotiations will proceed with the top-ranked ESCO.

Development of Energy Audit Agreement for federally funded units. HPHA intends to negotiate a contract for the investment grade audit. Based on this audit, the ESCO will propose costs and contract terms concerning a complete set of proposed energy conservation measure improvements, the timetable for completing design, engineering and construction work, a detailed description of services to be provided, specific financing arrangements and terms, and an estimate of energy savings, as well as special conditions offered by the firm. ESCOs should be prepared to

provide the services requested in the attached Energy Audit Agreement for federally- funded properties. Please provide your price for the audit of federal PHA units based on the requirements of the attached audit.

If an acceptable technical energy audit agreement cannot be negotiated within 30 days from the date of ESCO selection, negotiations with the next-ranked ESCO may be initiated.

Development of Energy Audit Agreement for state-funded units. HPHA intends to negotiate a separate contract for the investment grade audit of state-funded units. If an acceptable technical energy audit agreement cannot be negotiated within 30 days from the date of ESCO selection, negotiations with the next-ranked ESCO may be initiated.

Development of Energy Services Agreement. After completion and acceptance of the investment grade audit, HPHA intends to negotiate an Energy Services Agreement (ESA). The ESCO shall develop and propose an EPC program for the federally funded PHA units based on the information gathered through that audit. HPHA will approve all energy and water conservation measures and energy savings services they wish to pursue and, in consultation with the ESCO, define a specific project to implement. The HPHA and ESCO will then finalize negotiations and award the EPC, subject to HUD approval. ESCOs are expected to provide a sample PHA/ Energy Services Agreement with their response to this RFP.

If an acceptable ESA cannot be negotiated within 30 days from the date of acceptance of the detailed energy audit, negotiations with the next-ranked ESCO may be initiated.

To aid ESCOs in their response to this RFP, the following items are attached:

PART I: PROPOSED PROJECT SCHEDULE

PART II: EVALUATION CRITERIA

PART III: CONTRACT TERMS AND CONDITIONS

PART IV: INSTRUCTIONS TO PROPOSERS

PART IV-A ESCO PROFILE & QUALIFICATIONS FORM

PART IV-B ESCO'S PROPOSED APPROACH TO PROJECT

PART IV-C SUPPORTING TECHNICAL DOCUMENTS

ATTACHMENT A: PROPERTY FACILITY PROFILE (67 Federal & 12 State Projects)

ATTACHMENT B: ENERGY AND WATER USAGE (Get from Derek or Accounting)

ATTACHMENT C: HUD 52722 A/B FORM (Get from Derek or Accounting)

ATTACHMENT D: MANDATORY CLAUSES

ATTACHMENT E: REQUIRED CERTIFICATIONS AND FORMS

ATTACHMENT F: RESIDENT TENANT ALLOWANCES

ATTACHMENT G: HUD 5-YEAR CAPITAL PLAN

ATTACHMENT H: SAMPLE ENERGY AUDIT AGREEMENT

PART I - PROPOSED PROJECT SCHEDULE

The following is the proposed project schedule and may be adjusted as necessary during the procurement of services.

ACTIVITY	DATE
Issue RFP	August 31, 2007
Pre-Proposal Meeting / Site Visit	September 11, 2007
<i>Proposals Due</i>	<i>September 28, 2007</i>
Selection of Finalist ESCO	October 12, 2007
ESCO Interviews and Ranking	October 19, 2007
Selection of ESCO & Negotiation of Energy Audit Contract	November 2, 2007
HPHA Board of Directors Approval of Energy Audit Contract	November 9, 2007
Contract Signing and ESCO Notice to Proceed with Audit	November 9, 2007
Audit Review and Negotiation of Energy Service Agreement (ESA)	March 7, 2008
HPHA Board of Directors Approval of ESA	March 28, 2008
Contract Signing and ESCO Notice to Proceed with ESA	March 31, 2008

PART II - EVALUATION CRITERIA

Evaluation of Proposals: Responses will be evaluated based on the quality and completeness of the information provided. Failure to provide any of the requested information may result in disqualification. The criteria listed below will be used in the evaluation of the written proposals. Additionally, client references and responses of the finalist ESCOs during oral interviews will be utilized as well to determine the highest ranked offeror.

Qualifications and Project Experience (25pts)

- Qualifications and experience of ESCO's personnel with guaranteed PHA energy savings contracts.
- Reliability of equipment performance on past projects.
- Experience with and understanding of HUD energy performance contracting regulations.
- Documented energy savings of past PHA projects.
- Quality and completeness of past project documentation.

Project Management (20 pts)

- Clear assignment of responsibility for various project tasks to specific individuals.
- Ability to effectively manage project construction and complete the project on schedule.
- Quality of approach to operations and maintenance.
- Quality of monitoring, maintenance, and measurement and verification services on past projects.
- Clarity, organization and level of detail in written proposal.
- Quality of communication skills of the ESCO's representatives at the oral interview.

Technical Approach (20 pts)

- Quality of technical approach, including methods of analysis and an understanding of existing building systems and conditions, documentation for measures installed.
- Quality of approach to project commissioning.
- Quality of the sample investment grade technical energy audit.
- Quality of baseline energy calculations.
- Quality of proposed training for facility staff.
- Quality of approach to savings measurement and verification.
- Quality of sample design documentation.
- Quality of customer savings reports.

Financial (25pts)

- Financial soundness and stability of the ESCO.
- Demonstrated ability to provide or arrange project financing.
- Reasonableness of audit costs.

- Reasonableness of Preliminary Cash Flow Analysis.
- Quality and cost of the financial guarantee of savings.

Section 3 (10 pts)

- Status as a Section 3 Business Concern (See Attachment D: Section 3 for definitions)
- Section 3 Strategies

PART III - CONTRACT TERMS AND CONDITIONS

The minimum contract terms and conditions HPHA will accept from the selected ESCO include:

1. Technical Requirements

Investment Grade Energy Audit. The selected ESCO must perform and present the results from a detailed investment grade energy audit of acceptable quality to HPHA. The proposed audit terms and conditions are specified in the Proposed Energy Audit Agreement located in Attachment H. If HPHA decides not to enter into a contract after the audit has been accepted, HPHA agrees to pay the cost of the audit as stated in the audit agreement, provided that the proposed contract terms offered by the ESCO meet all the conditions set forth in the audit agreement and this RFP.

Standards of Comfort and Service. The ESCO will be responsible for maintaining the levels of comfort and service for each building.

Professional Engineer Involvement. A registered professional engineer must, at a minimum, review and approve mechanical design work done under this contract.

Guaranteed Savings. HPHA requires a minimum **annual** guaranteed level of savings approach to the project. If the project does not generate the guaranteed level of savings in any given year, the ESCO will be responsible for reimbursing HPHA the amount of any shortfall. Excess savings will not be used to reimburse the ESCO for any payments made due to shortfalls in other years.

Construction Management. The ESCO will be required to work with current HPHA building management and maintenance personnel in order to coordinate construction and provide appropriate training in operations and maintenance of all installed improvements. No equipment or other improvements will be installed that would require HPHA to hire additional personnel unless contract negotiations produce an explicit exemption for a specific installation. Maintenance responsibilities shall be detailed in the ESA.

O & M Manuals. At least four (4) operation and maintenance manuals (hard & electronic copies) for each project will be provided for all equipment replacements and/or upgrades. Manuals are subject to approval of HPHA.

As-Built Drawings. Where applicable, ESCO must provide vellum, reproducible "as built" and record drawings and electronic equivalents as required by HPHA of all existing and modified conditions associated with the project, conforming to typical engineering standards. These should include architectural, mechanical, electrical, structural, and control drawings and operating manuals within 30 days of completed project installation.

Follow-up Maintenance, Monitoring and Training Services. The ESCO will be responsible for maintaining and monitoring the measures to ensure optimal performance as well as for ongoing training; however, HPHA has the option to negotiate the scope of service needed.

HPHA Energy Improvement Projects. HPHA reserves the right to make energy and water improvements to the facility. HPHA will consult with the ESCO on such improvements to prevent the loss of future savings due to any measures implemented with federal funds.

2. Minimum Contract Provisions

Proposal Submissions. ~~The contents of the ESCO's RFP submission will become part of any final agreement between HPHA and the ESCO.~~

Project Schedule. The ESCO must provide a final schedule of project milestones including construction, equipment-service and preventive maintenance provisions that will become part of any final contract. In the event any milestone or service provision is not met as scheduled, without prior approval from HPHA. HPHA reserves the right to consider it a default and withdraw from all contractual obligations without penalty.

HPHA Inspection. HPHA retains the right to have its representative visit the site during the audit and implementation phases of the project, and to attend relevant on-site or off-site meetings of the ESCO and/or its subcontractors. HPHA will have the right to inspect, test and approve the materials and work conducted in the facilities during construction and operation. HPHA shall have the right and access to the account books, records, and other compilations of data that pertain to the performance of the provisions and requirements of the agreement. Records shall be kept on-file in legible form and retained for a minimum of three years after closeout.

Final Approval of HPHA. HPHA retains final approval over the scope of work and all end-use conditions.

Ownership of Drawings, Reports and Materials. All drawings, reports and materials prepared by the ESCO specifically in performance of this contract shall become the property of HPHA and will be delivered to HPHA as needed, requested or upon completion of construction.

Compliance. All work completed under this contract must be in compliance with all applicable federal, state and local laws, rules and regulations including all building codes and appropriate accreditation, certification and licensing standards. Work must be in accordance with sound engineering and safety practices, be installed in a workmanlike manner and be in compliance with all HPHA regulations relative to the premises. The ESCO and its subcontractors will be responsible for obtaining any and all required governmental permits, consents and authorizations, and for payment of any and all state and city required taxes and fees which result from this contract.

Handling of Hazardous Materials. All work completed under this contract must be in compliance with all applicable federal, state and local laws, rules and regulations regarding waste disposal and treatment/disposal of any hazardous materials that could result from this project. Work must also be in accordance with sound engineering and safety practices, and in compliance with all HPHA rules relative to the premises.

Methodology to Adjust for Material Changes. The contract must contain a mutually acceptable clause whereby HUD permitted unanticipated changes in facility use, occupancy, schedule and/or utility rates can be accommodated in a fair manner agreeable to both parties.

Hiring and Wage Requirements. The ESCO will comply with all requirements for the payment of federal prevailing wages and minority and women-owned business enterprises as well as Section 3. See "Attachment D: Mandatory Clauses" for specifics.

Subcontractor Approval. HPHA retains the right to approve any ESCO selected subcontractor prior to its commencement of work on this project. Names, qualifications, federal ID numbers and insurance certificates of proposed subcontractors must be submitted at least three (3) weeks in advance of subcontractor scheduled start date.

Price Disclosure. The ESCO may be required to fully disclose all costs and fees associated with this project including audit, design, engineering, equipment, installation, financing, commissioning, monitoring, overhead, profit, etc. Quotes for pricing on projected project costs must be valid for ninety (90) days from the date of submission of the cost proposal by the ESCO.

Bonding Requirements. For all construction contracts exceeding \$100,000, the ESCO must submit:

- 1) A performance bond for 100% of the contract price;
- 2) A payment bond for 100% of the contract price.

Insurance Requirements. Prior to the commencement of any work, the ESCO must provide evidence of insurance for the audit, construction and operations phases of the project. Provide current certificate of insurance, **naming the State of Hawaii and the Hawaii Public Housing Authority (HPHA), its elected and appointed officials, officers, employees and volunteers as additional insured,** with minimum coverage as listed below:

- a) Commercial General Liability (Minimum Limits):

Bodily Injury & Property Damage (combined single limit)
\$2,000,000 per occurrence
\$2,000,000 aggregate

Personal Injury
\$1,000,000 per occurrence
\$2,000,000 aggregate

Products and Completed Operations
\$1,000,000 per occurrence
\$2,000,000 aggregate

- b) Business Automobile Liability Insurance (Minimum Limits):
Contractors should maintain coverage on an occurrence form for all Owned, Non-Owned, and Hired Automobiles.

Bodily Injury
\$1,000,000 per person
\$2,000,000 per occurrence

Property Damage
\$1,000,000 per person

- c) Workers Compensation and Employer's Liability (Minimum Limits):

Contractor should be required to maintain in full force and effect, at all times during the term of the contract the following insurance liability coverage:

Workers Compensation: Statutory Limit
Employer's Liability: \$1,000,000 bodily injury from each accident
\$1,000,000 bodily injury from disease per employee
\$1,000,000 bodily injury from disease aggregate
Temporary Disability Insurance (TDI)
Other similar insurance that is required by the State of Hawaii or Federal Laws

d) Professional Liability (Errors and Omissions)

If professional services are required to fulfill any or all of the activities under a Contract, the Contractor should maintain and keep in force Professional Liability Insurance that covers all activities under the Contract.

Minimum Limits: \$1,000,000 per claim
\$2,000,000 annual aggregate

Annual Reconciliation. Project savings will be verified and reconciled on an annual basis. ESCO will provide timely monthly savings reports to HPHA, unless otherwise agreed to by the parties.

Contract Term. No contract shall exceed twenty (20) years in duration and may be subject to annual appropriations.

Dispute and Claims (3-126-31 HAR) Disputes shall be resolved in accordance with Section 103D-703, HRS, and chapter 126, Procurement Rules, as the same may be amended from time to time.

Contract Schedules. Contract schedules, including, but not limited to the following, shall be attached to the ESA:

A. Equipment to be installed

Specifies newly-installed equipment

B. Energy Savings Guarantee

Describes all provisions and conditions of the savings guarantee

C. Compensation to company

Describes amount and frequency of payments for ongoing services

D. Maintenance Schedules and Responsibilities of Contractor

At a minimum, lists and describes responsibilities for maintenance of newly installed equipment

E. Agency Maintenance Responsibilities

F. Calculation of benchmarks

Methodologies supporting documentation to calculate the baseline

G. Financing Agreement

H. Operating Parameters and standards of comfort and service

I. Project Schedule and timeline

J. Template for Annual Reconciliation Report

Describes content of and form of report

K. Methods of Savings Measurement and Verification

Includes description of savings measurement, monitoring, calculation and modeling procedures used to verify and compute savings.

L. System Start up and Commissioning of ECM's

Includes specific testing procedures in start-up and commissioning the equipment

M. Insurance and Bonds

Evidence of acquired types of insurance and bonds for all phases of the project

N. Warranties

Contains all manufacturer's equipment warranties, specifications, and procedures for invoking warranty provisions

O. Proposed Final Project Cost and Proposed final Project Cash Flow Analysis

Includes spreadsheets of the project's expected financial performance for entire project term and project breakdowns

P. State of Hawaii Equipment Lease Rider

PART IV - INSTRUCTIONS TO PROPOSERS

Failure to complete any question in whole or in part, or any deliberate attempt by the proposer to mislead HPHA, may be used as grounds to find the proposing ESCO ineligible.

PROPOSAL SUBMITTAL INFORMATION

ESCOs who wish to have proposals considered by HPHA must submit six (6) copies of the following:

- Part IV-A (ESCO Profile and Qualifications Form)
- Part IV-B (ESCO Proposal and Approach to Project)
- Part IV-C (Supporting Technical Documents)
- **HUD 5369-C Certifications and Representations of Offerors Non-Construction Contract**
- Non-Collusive Affidavit / Non-Interest Affidavit
- Certificate of Corporate Resolution

by **September 28, 2007 @ 2:00 pm** to the following address:

Barbara Arashiro, Acting Contracts & Procurement Officer
Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817

At least one electronic version of all previously mentioned proposal documents shall accompany the submittal to the HPHA and one electronic copy each, plus one hard copy each should be sent to:

Elizabeth Ramon, PhD
Department of Business, Economic
Development and Tourism (DBEDT)
Energy Conservation Program Specialist
Strategic Industries Division
P.O. Box 2359
Honolulu, Hawaii 96813
ERaman@dbedt.hawaii.gov

David Birr
329 D Woodview Road
Barrington, IL 60010
davebirr@aol.com

PART IV-A - ESCO PROFILE AND QUALIFICATIONS FORM

Each ESCO is required to fully answer all questions in each category listed below. Provide responses on 8 1/2 " x 11" sheets of paper and number and title each answer to the corresponding category. Font size should be no smaller than 11 point. All pages in your response should be numbered sequentially. ESCOs must also include a table of contents that indicates the section and page numbers corresponding to the information included.

All questions must be addressed by the ESCO in order for this application form to be properly completed. Failure to answer any question, or comply with any directive contained in this form may be used by HPHA as grounds to find the ESCO ineligible. If a question or directive does not pertain to your firm in any way, please indicate with the symbol N/A.

A-1 Firm Name _____

Business Address _____

City _____ State _____

County _____ Zip Code _____

A-2 Names and Titles of Two Contact People

1) _____ Phone (_____) _____

2) _____ Phone (_____) _____

A-3 Submittal is for:

- Parent Company (List any Division or Branch Offices to be involved in this project)
- Division (attach separate list if more than one is to be included)
- Subsidiary
- Branch Office

Name of Entity: _____

Address: _____

A-4 Type of Firm:

- Corporation
- Partnership
- Sole Ownership
- Joint Venture

A-5 **Federal Employer Identification Number** _____

A-6 **Year Firm was Established** _____

A-7 **Name and Address of Parent Company: (if applicable)** _____

A-8 **Minority Business Information** *(If applicable to your agency's policies or requirements)*

Recognized MWBE. Is your firm a recognized Minority or Woman-owned Business Enterprise?

Category. If yes, please indicate the appropriate category.

- | | |
|---|--|
| <input type="checkbox"/> American Indian | <input type="checkbox"/> Spanish Surname |
| <input type="checkbox"/> Asian-American | <input type="checkbox"/> Woman-Owned |
| <input type="checkbox"/> African-American | <input type="checkbox"/> Other |

Certifying Agencies. If yes, indicate which jurisdictions or certifying agencies recognize your firm's MWBE status.

Accommodation. If no, please summarize how you will accommodate MWBE preferences.

Section 3 Business Concern. Does your firm qualify as a Section 3 Business Concern? If no, please indicate how you will comply with the HPHA Section 3 Plan as listed in Attachment D: Mandatory Clauses

A-9 Five Year Summary of Contract Values for Energy Performance Contracting Projects where your firm was the prime contractor with a first party written savings guarantee to the HPHA: (Note: If you are a branch office of a larger firm indicate only those contract values associated with that specific branch.)

2007: \$ _____ (to date)
2006: \$ _____
2005: \$ _____
2004: \$ _____
2003: \$ _____

A-10 Corporate Background/Historical Data

How many years has your firm been in business under its present business name?
_____ Years

Please identify all states in which your firm is legally qualified to do business. _____

Indicate all other names by which your organization has been known and the length of time known by each name. _____

How many years has your firm been involved in energy-related business? _____ Years

Certify that your company does not owe the state of Hawaii any taxes.

Certify that your company is not currently under suspension or debarment by the state of Hawaii, any other state, or the federal government.

Identify your firm's legal counsel for this project. Give the name and address of the primary individual responsible for contract negotiation.

Indicate your firm's current annual gross revenue. _____

A-11 Technical Qualifications And Personnel Information

Indicate the number of all guaranteed energy savings contracting projects currently under contract with your firm. Limit your response to **ONLY** those projects that have been managed directly by the **specific branch, division, office, or any individual** in such branch, division or office that will be specifically assigned to this project. Indicate the installed project cost value, and identify all projects currently in repayment. Attach additional sheets as necessary.

Using the format provided below, briefly describe the relevant experience, qualifications and educational background for **ONLY** those **PRIMARY** team members (no more than 10 individuals) **who will directly be working on this project.**

Name of Project Team Member:	
Current Job Title: Job responsibilities: Number of years with ESCO: Primary Office Location:	
Employment History Company Name: Primary job responsibilities: Number of years with firm:	
Educational Background List all academic degrees, certifications, professional affiliations, relevant publications and technical training.	
List all energy performance contracting projects this individual has been involved with during past 5 years. Include project location, type of facilities, year implemented and dollar value of installed project costs.	
Describe the specific role and responsibilities this individual had for each listed project.	
Provide a detailed description of the role and responsibilities this individual will have for the duration of this project.	
Describe any other relevant technical experience.	
Indicate the total years of relevant energy-related experience for this individual.	

A-12 Financial References

Provide a copy of your firm's most recent audited annual report. Provide a Balance Sheet and Cash Flow statement not more than fifteen (15) months old.

Please provide the name, address, and the telephone number of the firm(s) that prepared the Financial Statements.

Please enclose banking references including financial institution, address, contact person, telephone number, and specific information on your firm's credit that may be used to fund construction for large-scale projects.

Enclose bonding references including company name, address, contact person, telephone number and information on your firm's maximum bonding capability.

A-13 Energy Performance Contracting Project History And Client References

Using the form on the following page, list at least three (3) and preferably five (5) PHA energy performance contracting projects in repayment by and currently under contract with your firm with a minimum of 1,000 PHA units or more. **Limit your response to ONLY those projects that have been managed directly by the specific branch, division, office or any individual in such branch, division or office that will be specifically assigned to this project.** Attach additional sheets as necessary. Please put an asterisk by those project references involving projects with measures and buildings similar to those proposed for this project.

PROJECT HISTORY AND-CLIENT-REFERENCE FORM

All information requested is required.

Project Name and Location Number of Buildings Primary Use Total square footage	
Project Dollar Amount (installed project costs) Source of Project Financing	
Primary ECMs Installed ESCO Services Provided	
Construction Start & End Dates	
Contract Start & End Dates	
Dollar Value and Type of Annual Operational Cost Savings (if applicable) (e.g., outside maintenance contracts, material savings, etc.)	
Method(s) of Savings Measurement and Verification	
Provide CURRENT and ACCURATE telephone and FAX numbers of the owner(s)' representatives with whom your firm did business on this project. You should ensure that all representatives are familiar with this project.	
Describe the specific roles and responsibilities of ESCO personnel associated with the identified project, limiting your response to only those personnel who will be directly involved in HPHA's project.	
ESCO Notes or Comments	

ANNUAL ENERGY SAVINGS DATA FORM

Complete the following information for each of the projects listed.

Name of Project: _____

Name of ESCO: _____

Date Installed _____

	Projected	Guaranteed	Achieved				
			Year 1	Year 2	Year 3	Year 4	Year 5
KWH							
Therms							
KW							
Water Gallons							
Other (Specify)							

Information for each of the headings listed above **MUST** be completed using the above format. **DO NOT** provide savings data in terms of BTU's or dollars. Data should be given in the form of fuel units that appear in the utility bills. Additional forms should be reproduced as needed.

PART IV-B - ESCO's PROPOSED APPROACH TO PROJECT

PROJECT MANAGEMENT

B-1 Project Summary (Not to exceed 2 pages; Minimum font size of 11)

Summarize the scope of services (asset planning, design, financial, operations, maintenance, training, etc.) offered by your firm for this project including the added value of your firm's services.

B-2 Training Provisions

Describe your firm's proposed approach to providing technical training for facility personnel. Indicate the proposed number of personnel to be trained and the type and frequency of training to be provided for the duration of the contract. Indicate how your firm will address any turnover of key facility personnel as it relates to project performance.

B-3 Project Financing

Describe your firm's preferred approach to providing or arranging financing for this project. Describe the structure of the financing arrangement including projected interest rate, financing term, repayment schedule, equipment ownership, security interest required, the responsibilities/liabilities of each party, and any special terms and conditions that may be associated with the financing of this project. Describe how construction will be financed.

B-4 Cost of Investment Grade Energy Audit

Indicate the total cost of the investment grade energy audit to HPHA if no contract is negotiated. Please see Attachment H- Proposed Investment Grade Energy Audit Agreement for specific technical terms and conditions.

B-5 Preliminary Technical Approach

Based on your preliminary assessment of the project sites and information provided, please describe any equipment modifications, installations or replacements at the facilities that your company would consider installing as a part of this project. Please discuss site conditions, status of building systems and needs of the HPHA.

B-6 Energy Baseline Calculation Methodology

Describe the methods you expect to use to compute baseline energy use for this project. Describe any computerized modeling programs used by your firm to establish baseline consumption. Describe factors that would necessitate a baseline adjustment. Describe the methods you will use to adjust the guaranteed level of savings from any material changes that occur due to such factors as weather, occupancy, facility use changes, etc.

B-7 Procedure for Calculating Energy and Cost Savings

Summarize procedures, formulas and methodologies including any special metering or equipment, your firm will use to measure and calculate energy savings for this project. Indicate how your firm identifies, documents and measures operational cost savings opportunities. Describe your firm's proposed approach to the treatment of savings achieved during construction and how those savings will be documented and verified. See Part IV, B-10 of this RFP for the escalation rates to be used for the purposes of preparing the preliminary cash flow analysis.

B-8 Construction Management

Describe how your firm would work with current building management and maintenance personnel in order to coordinate construction and avoid conflicts with the building's operation and use.

B-9 Approach to Equipment Maintenance

Describe any major changes in operations or maintenance for this project that your company anticipates. Include a description of the types of maintenance services that may be proposed for this project. Address how you would approach the role of HPHA's personnel in performing maintenance on the new and existing and equipment. Discuss the relationship of maintenance services to the savings guarantee, any required duration of the maintenance agreement, and what impact termination of maintenance prior to the end of the contract term would have on the savings guarantee.

B-10 ESCO's PRELIMINARY CASH FLOW ANALYSIS
ENERGY PERFORMANCE CONTRACTING PROJECT
Hawaii Public Housing Authority

Financed Project Costs: _____
 Finance Term: 20 years
Annual Interest Rate: 5%
 Construction Months _____
 Annual Payment _____

Escalation Rate by Savings Category

electric: 5 %
 SNG Gas 5 %
 Steam NA
 Water: 5 %
 Operations & Maintenance costs: NA
 Other (specify): NA
 Escalation Rate for Annual Fees : 3 %

Year	Electric Cost Savings	Natural Gas Cost Savings	Steam Cost Savings	Water Cost Savings	Other (Please Specify)	Operational Cost Savings	Total Utility Cost Savings	Maintenance, Monitoring, M&V, and Training Fees	Financing Payment	Net Savings
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
TOTAL										

PART IV-C SUPPORTING TECHNICAL DOCUMENTS

The following documents must be also be submitted in accordance with the instructions specified at the beginning of Part IV of this RFP.

Sample Investment Grade Audit

Sample Commissioning Plan

Sample Measurement & Verification Plan

Sample Maintenance Plan

Sample Customer Savings Report

Sample Design Documentation

Actual Energy Baseline Methodology form a previous PHA project

Sample Project Cash flow with HUD incentives applied

Staff training agenda and sample training material

Resident education plan and sample training material

Sample documentation for measures installed

LIST OF ATTACHMENTS

ATTACHMENT A:

PROPERTY FACILITY PROFILE (5,363 residential units in 67 federal projects; plus ??? residential units in 12 State projects. The state projects ARE NOT to be included in the performance contract. A cost proposal for an investment-grade energy audit only is requested in this document)

ATTACHMENT B:

WATER AND ENERGY USAGE/COST (Get from Derek or Accounting)

ATTACHMENT C:

HUD 52722 A/B FORM (Get from Derek or Accounting)

ATTACHMENT D:

MANDATORY CLAUSES: SECTION 3 (Federal Program)

CONFLICT OF INTEREST STATEMENT

**MINORITY BUSINESS ENTERPRISE (MBE), WOMEN-OWNED
BUSINESS ENTERPRISE (WBE) and DISABLED BUSINESS
ENTERPRISE (DBE) PROGRAM GOALS**

**DAVIS BACON PREVAILING WAGE RATE (Federal)
(For Construction Only - To be included with Energy Service
Agreement)**

ATTACHMENT E:

REQUIRED CERTIFICATIONS AND FORMS:

INSTRUCTIONS TO OFFERORS NON-CONSTRUCTION (form HUD 5369-B (08/1993))

**CERTIFICATIONS AND REPRESENTATIONS OF OFFERORS NON CONSTRUCTION
CONTRACT (form HUD 5369-C (08/1993))**

NON-COLLUSIVE AFFIDAVIT/ NON-INTEREST AFFIDAVIT

CERTIFICATE OF CORPORATE RESOLUTION

GENERAL CONTRACT CONDITIONS NON-CONSTRUCTION (form HUD 5370-C (05/2006))

GENERAL CONTRACT CONDITIONS (For Construction Only) (form HUD 5370 (11/2006))

ATTACHMENT F: RESIDENT TENANT ALLOWANCES

ATTACHMENT G: Physical Needs Assessment (PHA)

ATTACHMENT H: SAMPLE ENERGY AUDIT AGREEMENT

Project: Request For Proposal (RFP) For An Energy Performance Contracting Project
HPHA Job No. # 07-043-000-Z

ATTACHMENT A

PROPERTY FACILITY PROFILE

(5,363 residential units in 67 federal projects)

(???? Residential units in 12 state projects) To be listed separately in their own profile

ATTACHMENT B

WATER AND ENERGY USAGE

(Get from Derek or Accounting)

ATTACHMENT C

HUD 52722 A/B FORMS

(Get from Accounting)

ATTACHMENT D

MANDATORY CLAUSES

SECTION 3 (Federal Program)

CONFLICT OF INTEREST STATEMENT

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CERTIFICATE OF CORPORATE RESOLUTION

GENERAL CONTRACT CONDITIONS NON-CONSTRUCTION (form HUD 5370-C (05/2006))

GENERAL CONTRACT CONDITIONS (For Construction Only) (form HUD 5370 (11/2006))

ATTACHMENT F

"2007 Resident Tenant Allowances"

ATTACHMENT G

Physical Needs Assessment (PHA)

HCDCH dba Hawaii Public Housing Authority

2003 PNA Master Executive Summary, June 2003

Available upon request:

2003 PNA Inspection Report Binders #01: HI0P001003 to HI0P001009 Missing
2003 PNA Inspection Report Binders #02: HI0P001010 to HI0P001016
2003 PNA Inspection Report Binders #03: HI0P001017 to HI0P001023
2003 PNA Inspection Report Binders #04: HI0P001024 to HI0P001030
2003 PNA Inspection Report Binders #05: HI0P001031 to HI0P001039
2003 PNA Inspection Report Binders #06: HI0P001042 to HI0P001050
2003 PNA Inspection Report Binders #07: HI0P001051 to HI0P001056
2003 PNA Inspection Report Binders #08: HI0P001057 to HI0P001069
2003 PNA Inspection Report Binders #09: HI0P001070 to HI0P001088
2003 PNA Inspection Report Binders #10: HI0P001090 to HI0P001099

Big Island PNA Listing: Ka Hale Kahaluu, HA 1-61, Hale Hookipa Eld., HA 1-53, Kaimalino, HA 1-32, Kealakehe, HA 1-70, and Nani Olu, HA 1-63

Building Inspection Services, Inc.
1675 Winding Road
Southampton, PA 18966

Under subcontract with IBM

ATTACHMENT H

ENERGY AUDIT AGREEMENT

SAMPLE

(Use the Rockford sample Energy Audit Agreement provided by David Birr and revised for
HPHA by Frank Kingery)



"Mike Kido"
<mkido@prp-hawaii.com>
m>

To: <sandra.miyoshi@hcdch.hawaii.gov>
cc:
Subject: Adv.,editorial today

08/16/2007 11:04 AM



Posted on: Thursday, August 16, 2007

Homelessness calls for sustained solutions

 **StoryChat: [Comment on this story](#)**

If anyone expects relief efforts for our homeless to yield speedy results, they are sadly mistaken.

Homelessness is a complex social problem that must be countered on multiple fronts. So it's unreasonable to expect that the opening of the Pai'olu Kaiaulu shelter in Wai'anae could, in just several months, magically erase the problem of residents pitching tents and claiming public beaches as a housing alternative.

It's going to take more time, and a sustained focus on the need for transitional housing and low-income rentals, to get a handle on the homeless crisis on O'ahu.

That much is becoming evident in Wai'anae, where occupancy rates rose slowly but are approaching capacity levels. The mission at this facility is not to offer emergency shelter, but to get residents connected to social programs addressing the root problems of their own lack of housing.

For many, it may be a need for substance-abuse rehabilitation; for others, access to appropriate healthcare; for others, job training. People can't achieve self-sufficiency without rigorous attention to these components.

The Pai'olu approach is to enforce rules aimed at keeping residents safe: Drug use can't be tolerated in a place that houses children and other vulnerable people who need a secure haven. The rules also aim to keep people on track: Those with a pattern of refusing treatment or classes may be denied privileges of attending programs or activities off-site.

While making the place more liveable should be a goal, nobody would be served by waiving the rules, lowering the bar of achievement and turning the place into a simple human warehouse.

State and county officials have a duty increasingly to deter illegal camping on beaches that should be shared by the public. But to accommodate them in places such as Pai'olu, the newly successful shelter residents need more "next-step" housing so they can break the cycle of homelessness and continue their transition back to the community.

That's where they can make a real home.

Back

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Expense Category	AMP #	Units	#Unit Mos	# FTEs	Annual		Positions per 100 Units	Staffing Ratio
					Expense	P.U.M.		
Administrative	49	150	1800	3	104,000	57.77777778	2.00	50.00
Salaries	45	226	2712	3	88000	32.44837758	1.33	75.33
	31	373	4476	9	258000	57.64075067	2.41	41.44
	30	363	4356	9	347000	79.66023875	2.48	40.33
	34	583	6996	8	287000	41.02344197	1.37	72.88
	32	363	4356	4.5	177000	40.63360882	1.24	80.67
	33	371	4452	5	193,000	43.35130279	1.35	74.20
	44	260	3120	2.5	87,000	27.88461538	0.96	104.00
	38	321	3852	7.25	231213	60.0241433	2.26	44.28
	39	196	2352	5.5	186,291	79.20535714	2.81	35.64
	35	584	7008	10.5	375,000	53.51027397	1.80	55.62
							Positions per 60 Units	
Maintenance	49	150	1800	5	95,000	52.77777778	2.00	30.00
Salaries	45	226	2712	6	179,274	66.1039823	1.59	37.67
	31	373	4476	19	601,000	134.2716711	3.06	19.63
	30	363	4356	17.5	582,000	133.6088154	2.89	20.74
	34	583	6996	16.5	573,163	81.92724414	1.70	35.33
	32	363	4356	13.5	496,000	113.865932	2.23	26.89
	33	371	4452	13.5	496,000	111.410602	2.18	27.48
	44	260	3120	7.5	228,113	73.11314103	1.73	34.67
	38	321	3852	9.35	405,000	105.1401869	1.75	34.33
	39	196	2352	9.5	319,327	135.7682823	2.91	20.63
	35	584	7008	21	772,000	110.1598174	2.16	27.81

Progress Report: Hawaii Public Housing Authority Elevators reported as of 8/14/07

REPAIR OF NONFUNCTIONING ELEVATORS											Modifications Planned	
Repair Priority	Name	Type	Elevators Down	No. of Elevators	Elevators Working	Percentage Working	Repair	Contractor Name	Start Date	Estimated Completion	Major	Minor
1	Kuhio Park Terrace B	Family	2	3	1	33%	Kone discovered drive problems with #5. More repairs needed.	Kone	06/29/07	08/24/07	3	
1	Kuhio Park Terrace A	Family	2	3	1	33%	Air conditioning and phones still inoperable.	Kone	07/06/07	08/24/07	3	
1	Paoakalani	Elderly	0	2	2	100%	Kone completed repairs.	Kone	06/29/07	08/13/07	2	
	Kalakaua Home	Elderly	0	2	2	100%					2	
	Ho'olulu Elderly	Elderly	0	2	2	100%						2
	Kalanihua	Elderly	0	2	2	100%					2	
	Kamalu Elderly	Elderly	0	2	2	100%						2
	Makamae	Elderly	0	2	2	100%					2	
	Makua Alii	Elderly	0	2	2	100%					2	
	Punchbowl Homes	Elderly	0	2	2	100%					2	
	Banyan St Manor	Family	0	1	1	100%					1	
	Hale Poi	Elderly	0	2	2	100%					2	
	Halia Hale	Elderly	0	1	1	100%						1
	Kulaokahua	Homeless	0	2	2	100%						2
	Laiola	Elderly	0	2	2	100%					2	
	Pumehana	Elderly	0	2	2	100%					2	
	Salt Lake Apts	Family	0	1	1	100%					1	
	Wilikina Apts	Family	0	2	2	100%					2	
		Total:	4	35	31						28	7

**Schedule of Key Asset Management Provisions
(for PHAs with 250 or more public housing units)**

Provision	Year 1	Year 2	Year 3	Year 4
1. PHA Fiscal Year	<ul style="list-style-type: none"> July 1, 2007-June 30, 2008 October 1, 2007-September 30, 2008 January 1, 2008-December 31, 2008 April 1, 2008-March 31, 2009 	<ul style="list-style-type: none"> July 1, 2008-June 30, 2009 October 1, 2008-September 30, 2009 January 1, 2009-December 31, 2009 April 1, 2009-March 31, 2010 	<ul style="list-style-type: none"> July 1, 2009-June 30, 2010 October 1, 2009-September 30, 2010 January 1, 2010-December 31, 2010 April 1, 2010-March 31, 2011 	<ul style="list-style-type: none"> July 1, 2010-June 30, 2011 October 1, 2010-September 30, 2011 January 1, 2011-December 31, 2011 April 1, 2011-March 31, 2012
2. Project Based Budgeting	Required for this and all future fiscal years.			
3. Project Based Accounting	Required for this and all future fiscal years (un-audited financial statements to be submitted to REAC within two months following close of fiscal year, audited within nine months).			
4. Assignment of Assets and Liabilities between COCC and Projects	Required by the end of this first year of project-based budgeting/accounting.			
5. Fungibility between Projects and COCC	<ul style="list-style-type: none"> Fungibility between projects. Full fungibility this first year of project-based budgeting/accounting. Fungibility between projects and COCC. Full fungibility for this first year of project-based budgeting/accounting. 	<ul style="list-style-type: none"> Fungibility between projects. A project's current assets must exceed current liabilities to transfer cash to another project. Fungibility between projects and COCC. No fungibility for this and future years. <p>Note: Excess cash formula based on prior un-audited FYE data, subject to adjustment based on subsequent audited financial data.</p>	<ul style="list-style-type: none"> Fungibility between projects. A project's current assets must exceed current liabilities by one month of operating expenses for this and future years to transfer cash to another project. Fungibility between projects and COCC. No fungibility for this and future years. <p>Note: Excess cash formula based on prior un-audited FYE data, subject to adjustment based on subsequent audited financial data.</p>	
6. Phase in for Compliance with Management Fees	No restriction on "reasonable" management fees this first year of project-based budgeting/accounting.	<p>HUD will accept phase-in request, wherein:</p> <ol style="list-style-type: none"> The PHA reasonably documents fees needed to support current overhead costs, The PHA presents a schedule to achieve reasonableness by 2011, and The request, including items 1 and 2, is included with the PHA's Annual Plan. 	Same as Year 2	<p>Fees should be reasonable.</p> <p><i>49 PM want up to 2011</i></p>
7. FASS Scoring (PHAS)	PHA receives "transition" score under new PHAS scoring system for asset management.	New PHAS scoring effective for this and future fiscal years.		
8. Capital Grant Management Fees	Effective with FFY 2007 and future year Capital Fund grants. FFY 2006 and prior grants should continue to charge actual costs.			
9. ESCO Reporting	ESCOs do not report at AMP level	ESCOs report at AMP level for this and future fiscal years.		
10. Central Maintenance	PHA may charge using fee-for-service or actual costs (if higher).	PHA must use fee-for-service for this and future fiscal years.		

Note: See special instructions at: <http://www.hud.gov/utilities/intercept.cfm?/offices/pih/programs/ph/am/faq/earlyfeeforservice.pdf> for PHAs that want to adopt fee-for-service earlier than required above.

Hawaii Public Housing Authority (HPHA)

DRAFT

Employee Reprimand and Disciplinary Action Report

Date of Incident	Employee Name	Name of Supervisor completing this report	Type of Write-up Place an X		Number of Write-ups for this violation	
Job Title			Verbal		Verbal	
			Written		Written	
			Suspension		Suspension	
			Termination		Termination	

Please place a check in the space next to each violation of HPHA policies or procedures that has been violated. If the violation is from page two (2) on the other side of this page, simply place the letter or letters of the violation(s) in the space next to other at the bottom of the page (see other side):

- _____ 1. Failure to provide the Data Entry Clerk with the information necessary to close out a work order (automatic one (3) day suspension without pay).
- _____ 2. Insubordination or the refusal by an employee to follow management's instructions concerning a job related matter.
- _____ 3. Dereliction of Duty – non-performance or neglect of duties.
- _____ 4. Poor work performance, causing callbacks by residents.
- _____ 5. Failure to properly complete a work order form.
- _____ 6. Argumentative about work assignments.
- _____ 7. Excessive tardiness, number of days tardy _____.
- _____ 8. Excessive absenteeism, number of days absent _____, dates _____.
- _____ 9. Failure to punch time card properly.
- _____ 10. Failure to complete task in a timely manner.
- _____ 11. Lack of productivity.
- _____ 12. Improper call-off, didn't speak with his/her direct supervisor.
- _____ 13. Failure to successfully complete the probationary period.
- _____ 14. Other (place letter or letters of violation(s) from page 2 on the back of this form)

Comments on the above violation(s) – attach additional page(s) if necessary and print:

Corrective Actions to address the violation(s)

The Employee must correct violation by the following date: _____

EMPLOYEE REPRIMAND AND DISCIPLINARY ACTION REPORT

Please see page one (1) on the other side of this document. For every violation listed below for which the employee is being charge, please place the corresponding letter or letters on the line designated as other on page 1.

- A Reporting to work under the influence of alcoholic beverage and/or illegal drugs and narcotics, or the use, sale, dispensing or possession of an alcoholic beverage and/or illegal drugs and narcotics on company premises.
- B Using profanity or abusive language.
- C Possessing a firearm or other weapon on company property
- D Fighting or assault on a fellow employee or client
- E Theft, destruction, defacement or misuse of company property or another employee's property
- F Gambling on company property.
- G Falsifying or altering any company record or report, such as an application for employment, a medical report, a client record, a time record, an expense account, or an absence report.
- H Threatening or intimidating management, supervisors, clients, or fellow workers.
- I Smoking if prohibited by local ordinance or company rules.
- J Horseplay, pranks or practical jokes.
- K Sleeping on the job.
- L Failure to wear assigned safety equipment or failure to abide by safety rules and policies.
- M Improper attire or inappropriate personal appearance.
- N Engaging in any form of sexual harassment or any other harassment.
- O Improper disclosure of confidential information
- P Job abandonment.

Failure to correct the problem(s) will subject the employee to following disciplinary action:

_____ Pay docked for the rest of the day _____ Placed on Probation _____ Other
_____ Suspension without pay for _____ day(s) _____
_____ Termination Recommended

Violation of any of the other rules governing the operation of the HPHA will mean:

_____ Pay docked for the rest of the day _____ Placed on Probation _____ Other
_____ Suspension without pay for _____ day(s) _____
_____ Termination Recommended

Employee has failed to respond to reprimands (warnings) resulting in the following action(s)

_____ Pay docked for the rest of the day _____ Placed on Probation _____ Other
_____ Suspension without pay for _____ day(s) _____
_____ Termination Recommended

Each employee has the right to appeal any write-up or charge(s) against him/her. An appeal can be made to the next highest-ranking authority of the person who has filed a charge against them and/or to the Human Resource Administrator.

If a recommendation for termination is filed, the appeal has to be directed in writing to the Human Resource Administrator. In the event of a write-up, the employee should receive a signed copy of the write-up and the Human Resource Office should receive the original copy.

Supervisor's Signature _____ Date _____

Employee Signature _____ Date _____

(Signature dates does not mean that the employee agrees with the supervisor it is an acknowledgement of the supervisor's actions



U.S. Department of Housing and Urban Development

Honolulu Field Office
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813
<http://www.hud.gov>

July 27, 2007

Mr. Chad Taniguchi
Executive Director
Hawaii Public Housing Authority
1002 N. School St.
Honolulu, HI 96817

RECEIVED
HAWAII PUBLIC
HOUSING AUTHORITY

07 JUL 30 AIO:11

Dear Mr. Taniguchi:

Beginning with fiscal year 2006, Department of Housing and Urban Development (HUD) Field Offices have been directed to conduct a Consolidated Review on our Public Housing Agencies (PHAs) in the Hawaii-Pacific area. The purpose of the Consolidated Review is to set a baseline for the Office of Public and Indian Housing's (PIH) effort in addressing PHA management performance, financial integrity, and other high-risk elements. The Consolidated Review ensures the continuation of the PIH comprehensive monitoring and oversight of PHAs, as per the recommendations and findings identified by the Government Accountability Office (GAO) and the Office of the Inspector General (OIG).

The Consolidated Review consists of the following components: Rental Integrity Monitoring (RIM); Upfront Income Verification (UIV) Monitoring; Section Eight Management Assessment Program (SEMAP); Management Assessment Subsystem (MASS) indicator of the Public Housing Assessment System (PHAS); Capital Funds Monitoring; and Financial Management Review.

The Consolidated Review was conducted over a period of time from March to May 2007: March 12-April 6, 2007 and April 30-May 18, 2007. The results of our reviews are discussed in the enclosed report, which is divided into six Sections listed below:

SECTION I: Rental Integrity Monitoring (RIM) Review

From March 12-April 6, 2007, Jun Chung and Darlene Kaholokula, Public Housing Revitalization Specialists (PHRS) of my staff, conducted a RIM Review. The main purpose of the RIM initiative is to detect and reduce errors in income and rent calculations and reduce rent underpayment or overpayments by residents and HUD to maximize the Department's limited resources by helping as many eligible low-income families to receive housing assistance.

The PHA RIM Review Summary Report and Tenant Error Reports for the Section 8 Housing Choice Voucher (HCV) Program and the Low-Income Public Housing (LIPH) Program will be sent to you electronically.

SECTION II: Upfront Income Verification (UIV) Monitoring Report

Mr. Chung and Ms. Kaholokula conducted the UIV monitoring review and the UIV Monitoring Report was completed on April 12, 2007. The purpose of the review is to confirm if a PHA has implemented adequate security practices and controls to safeguard the confidential data received on a participant's employment. The confidential employment data is received from the National Directory of New Hires Database of the Department of Health and Human Services. In addition to what was covered in the RIM review, my staff also selected an additional five files that represented the highest dollar amount of income discrepancies obtained from the 100% Enterprise Income Verification (EIV) Exceeds Threshold Report for the LIPH Program and the Section 8 HCV Program. The review of the files indicated that for the LIPH Program, HPHA did review and resolve the discrepancies.

SECTION III: SEMAP Confirmatory Review

From April 30- May 18, 2007, Mr. Chung and Ms. Kaholokula, conducted a SEMAP confirmatory review. The SEMAP measures a Public Housing Agency's performance in fifteen key areas of the Section 8 HCV Program. Based on its self-certification, HPHA would have received a grade of 90% for fiscal year ending June 30, 2006. Our confirmatory review resulted, however, in a SEMAP score of 69%.

SECTION IV: Public Housing Assessment System (PHAS – MASS only)

Bill Sabalburo, Facilities Management Engineer and Mr. Chung conducted the MASS Certification Review on March 12-16, 2007. For the period ended June 30, 2006, HPHA certified a MASS score of 19.4. The review team confirmed a MASS score of 18. HPHA lost 1.40 points in Component #2, Non-Emergency Work Orders, Sub-Indicator 3, Work Orders.

SECTION V: Capital Funds Monitoring Review.

Mr. Sabalburo conducted the Capital Fund Program (CFP) Monitoring Review throughout the months of March and April 2007. The purpose of the CFP annual monitoring review is to determine whether or not HPHA (1) is implementing the capital fund program in conformity with its comprehensive plan, (2) has continuing capacity to carry out its comprehensive plan in a timely manner, and (3) has made reasonable progress in implementing timely the capital fund program. Overall, we found that HPHA is implementing the CFP in a satisfactory manner.

SECTION VI: Financial Management Review

On April 2 through 4, 2007, Mei Tong conducted a financial review of the HPHA. During the review, she found that the budget was not monitored monthly and cost overruns were not recognized when occurred. The lack of budgetary control resulted in the agency operating with deficits. There were no financial statements available for the

Board, Executive Staff, and the Management Unit (MU) managers for review and no general ledger for the entire fiscal year of 2007. The rent collection policy was not enforced at certain management units and the uncollectible balances were not written-off timely.

Our findings, concerns and observations are provided in each of the sections of the report. Please provide a Corrective Action Plan (CAP) for each of finding and concern within 45 days from the date of this report and by the due dates stated in the sections. Please also provide a CAP for addressing those SEMAP and MASS scores where HPHA is deficient. Your response needs to state the corrective actions taken or planned to be taken to cure the deficiencies and by what specific date.

My staff and I would like to thank you and your staff for the cooperation and courtesies extended to the HUD review team. If you have any questions, please contact the assigned program staff shown below.

RIM, UIV and SEMAP: Jun Chung , email, Jun.Chung@hud.gov or at (808) 522-8175, extension 260

PHAS and Capital Funds: Bill Sabalburo, email, william.sabalburo@hud.gov, or at (808) 522-8175, extension 238

FASS: Mei Tong, email, mei.tong@hud.gov, or at (808) 522-8175, extension 230

Sincerely,



Michael S. Flores
Director
Office of Public Housing

Enclosures

cc:
Mr. Travis Thompson
Chair
HPHA Board of Directors
1002 N. School Street
Honolulu, HI 96817

SECTION I
CONSOLIDATED REVIEW
HAWAII PUBLIC HOUSING AUTHORITY
RENTAL INTEGRITY MONITORING REVIEW
March 12- April 6, 2007

PART I. General Comments.

The Office of Public and Indian Housing is continuing its mission to address improper payments and reduce income and rent errors in the administration of both the public housing and Section 8 programs. Beginning with Fiscal Year 2006, HUD Field Offices will conduct a Consolidated Review to establish a baseline for the Office of Public and Indian Housing's effort in addressing PHA improper payments and other high-risk elements. The Rental Integrity Monitoring (RIM) review is only one strategy in a larger, HUD-wide initiative designed to reduce income and rent errors in the administration of federally assisted housing programs – known as the Rental Housing Integrity Improvement Project (RHIIP). RHIIP supports the Presidential mandate that requires federal agencies to reduce costly program errors. The purpose of a RIM review is to assess whether and to what extent a public housing agency (PHA) is accurately, thoroughly and clearly determining family income and rent in its Low-Income Public Housing (LIPH) and/or Section 8 Housing Choice Voucher (HCV) program and in compliance with statutory, regulatory and HUD administrative requirements. In addition to identifying and correcting existing errors in income and rent determinations, RIM reviews afford HUD the opportunity to provide guidance and technical assistance to PHAs on strengthening income and rent policies and procedures, reducing future errors.

An Upfront Income Verification (UIV) Monitoring review ensures that a PHA has implemented adequate security measures to protect the confidential information on participants' employment information obtained from the Enterprise Income Verification (EIV) system. The confidential employment data is received from the National Directory of New Hires Database of the Department of Health and Human Services. The review monitors a PHA's compliance with security requirements as outlined in the attached UIV Monitoring Report.

In addition to the RIM review, HUD Field Offices are required to review for the LIPH Program and the Section 8 HCV Program an additional five tenant files that have the highest dollar amount of income discrepancies obtained from the EIV Exceeds Threshold Report at the 100% threshold level. The results of the review are contained in the UIV Monitoring Report.

Part II. Findings and Corrective Actions.

A finding is a deficiency that represents a violation of statutory or regulatory requirements for which sanctions or other Corrective Actions are authorized and necessitates immediate remedial action.

LOW-INCOME PUBLIC HOUSING PROGRAM

A total of 53 tenant files were reviewed for the LIPH Program. Thirty-four tenant files contained errors that resulted in a 64% error rate. The findings are addressed below.

Finding No. 1. Miscalculation or Lack of Verification of Income, Unemployment, Self-employment, and Assets

Condition: For 18 out of 53 files, HPHA did not properly calculate or lacked verification of income, unemployment, self-employment, or asset.

Criteria: Federal regulations at 24 CFR Parts 5.609 through 5.611 define income inclusions and exclusions and provide guidance on proper calculation of annual income. Federal regulations at 24 CFR Parts 5.603 and 5.609 define asset and provide guidance on the proper methodology to verify and calculate asset income.

Cause: Income was not correctly computed due to:

- Overtime hours not included to project anticipated income
- Supplemental Security Insurance benefits incorrectly counted as SSI income
- HPHA staff using 27 pay periods in a year instead of 26 pay periods to project annual income
- Miscalculation of weekly hours worked to determine projected income
- Miscalculation of SSI benefits

Consequences: Continued calculation errors on income may result in underpayment or overpayment of Total Tenant Payment (TTP).

Corrective Action Required: Review the Tenant File Error Reports in this sample and make the appropriate corrections as indicated to income. Within 45 calendar days of this report, HPHA must certify to this Office the actions taken or actions proposed to be taken to correct the deficiencies identified in the Tenant File Error Reports.

Based on the current error rates, conduct quality control on 10% of all files. Submit the quality control log to this Office on the first business day of each month.

Submit to this Office within 45 calendar days of this report a training plan that includes providing staff formal training on verification of income, asset, and deductions and on rent and income calculation. The training should be done by an outside contractor. The training plan must contain projected or specific training dates with topics to be covered and identification of required attendees.

Finding No. 2. Improper Transfer of Data from File to the Multifamily Tenant Characteristics System (MTCS)

Condition: For 11 out of 53 files reviewed, we found improper transfer of data from file to the HUD-50058, Family Report, and to the MTCS.

Criteria: Federal regulation at 24 CFR Section 908.104(a) requires complete and correct data entry for electronic transmission of data from the tenant files.

Cause: Form HUD-50058 data entry errors.

Consequences: Failure to ensure quality data jeopardizes the Department of HUD's commitment to provide accurate and current information to the Assistant Secretary of Public and Indian Housing, Congress, and to the public.

Corrective Action Required: Review the Tenant File Error Reports in this sample and submit a corrected HUD-50058 to the MTCS. Within 45 calendar days of this report, HPHA must certify to this Office the actions taken or actions proposed to be taken to correct the deficiencies identified in the Tenant File Error Reports.

Conduct quality control on 10% of all tenant files. The quality control log must be submitted to this Office on the first business day of each month.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

A total of 41 tenant files were reviewed for the Section 8 Housing Choice Voucher Program. Fifteen tenant files contained errors that resulted in a 37% error rate. The findings are addressed below.

Finding No. 1. Miscalculation of Income, Self-employment, and Child Support

Condition: For eight out of the 41 tenant files reviewed, HPHA incorrectly calculated income, self-employment, and child support.

Criteria: Federal regulations at 24 CFR Part 5.609 through 5.611 define income inclusions and exclusions and provide guidance on proper calculation of annual income.

Cause: Income was incorrectly calculated due to:

- Miscalculation of self-employment due to incorrect math computation
- Improper utilization of 24 pay periods instead of 26 pay periods to compute annual income
- Use of incorrect hourly overtime wage to calculate annual income
- Exclusion of single pay period income from annual income tabulation

Consequences: Continued calculation errors on income will result in underpayment or overpayment of HAP or tenant rent.

Corrective Action Required: Review the Tenant File Error Reports in this sample and submit a corrected HUD-50058 to the MTCS. Within 45 calendar days of this report, HPHA must certify to this Office the actions taken or actions proposed to be taken to correct the deficiencies identified in the Tenant File Error Reports.

Conduct quality control on 10% of all tenant files. The quality control log must be submitted to this Office on the first business day of each month.

Finding No. 2. Improper Transfer of Data from File to the Multifamily Tenant Characteristics System (MTCS)

Condition: Of the 41 tenant files reviewed, we found six files contained improper transfer of data from file to the HUD-50058, Family Report, and to the MTCS.

Criteria: Federal regulation at 24 CFR Section 908.104(a) requires complete and correct data entry for electronic transmission of data from the tenant files.

Cause: Form HUD-50058 data entry errors.

Consequences: Failure to ensure quality data to the MTCS jeopardizes the Department of HUD's commitment to provide accurate and current information to the Assistance Secretary of Public and Indian Housing, Congress and to the public.

Corrective Action Required: Review the Tenant File Error Reports in this sample and submit a corrected HUD-50058 to the MTCS. Within 45 calendar days of this report, HPHA must certify to this Office the actions taken or actions proposed to be taken to correct the deficiencies identified in the Tenant File Error Reports.

Conduct quality control on 10% of all tenant files. The quality control log must be submitted to this Office on the first business day of each month.

SECTION II
CONSOLIDATED REVIEW
HAWAII PUBLIC HOUSING AUTHORITY
UPFRONT INCOME VERIFICATION (UIV) MONITORING REPORT
April 12, 2007

Purpose: The purpose of HUD's Upfront Income Verification (UIV) onsite/remote review is to ensure that the PHA has (1) implemented the use of the HUD-provided UIV tool (the Enterprise Income Verification (EIV) system); (2) implemented and documented practices, controls and safeguards to adequately protect the confidentiality and security of participant income data; and (3) taken the appropriate corrective action to eliminate subsidy payment errors and tenant errors attributable to tenant under reporting of income. The UIV Monitoring Review is required for any PHA that has access to the EIV system and subject to a Consolidated Review.

UIV Review Date: April 12, 2007	Reviewer Name: Jun Chung
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PHA Code: HI001/HI901	PHA Name: Hawaii Public Housing Authority
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Program Type:		Section 8 <input type="checkbox"/>	Public Housing <input type="checkbox"/>	Both <input checked="" type="checkbox"/>
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PHA Contact Person: Glori Inafuku	Telephone Number: (808) 832-3837
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PHA Contact Person:	Telephone Number:
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PHA Contact Person:	Telephone Number:
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A. PHA'S IMPLEMENTED UIV TOOLS

Questions	Yes	No
1. Does the PHA have access to HUD's EIV system? If yes, answer questions 2-4. If the answer is no, skips questions 2-3.	X	
2. According to the EIV PHA Access Usage Report, has the PHA used the EIV system within the last 30 days?	X	
3. According to the EIV PHA Access Usage Report, has the PHA used the EIV system within the last 180 days?	X	
4. Does the PHA use UIV tools that are not provided by HUD? If yes, please list the tools that the PHA has implemented. <ul style="list-style-type: none"> • Hawaii Automated Welfare Information System (HAWI) • Work Number 	X	

B. PHA SECURITY ASSESSMENT

Requirements: Field Office staff should review the PHA's (1) security policies and procedures; (2) EIV user administration reports; (3) security and system access files; and any other documents that will provide answers to the questions below. Field Office staff may also want to conduct an interview with the Executive Director, Security Officer, and/or other designated staff persons that have knowledge of the PHA's security procedures and policies and are able to respond to the questions below.

Questions - Place an "X" in the applicable box.		Yes	No
1.	Does the PHA have a designated Security Officer or equivalent?	X	
2.	Does the PHA have a Security Policies and Procedures document?	X	
3.	Does the PHA enforce security procedures?	X	
4.	Does the PHA keep records and monitor security issues? None occurred.	X	
5.	Does the PHA conduct and document Security Awareness Training for EIV system users?	X	
6.	Does the PHA maintain a record of all EIV system users and their assigned roles?	X	
7.	Does the PHA ensure that each user has and uses his/her own user ID and password?	X	
8.	Does the PHA maintain copies of signed and access authorization and rules of behavior/user agreement forms for all EIV system users?	X	
9.	Does the PHA conduct a quarterly review of all User IDs to determine if users still have a valid need to access UIV data? (EIV system User Certification process)	X	
10.	Does the PHA maintain a key control log to track the inventory of keys available for secure rooms, buildings or file cabinets?	X	
11.	Does the PHA maintain a log of all destroyed UIV documents <u>or</u> have a record retention policy? Record retention policy.	X	
12.	Does the PHA have a valid (dated within the last 15 months) HUD Form 9886 <u>or</u> equivalent consent form in the reviewed tenant file?	X	
13.	Does the PHA document the occurrence of all improper disclosures of UIV information in writing <u>or</u> have a procedure to document improper disclosures? No incidents occurred to date.	X	
14.	Does the PHA report any occurrence of unauthorized access or known security breaches to the designated PHA/HUD staff person(s) <u>or</u> have a procedure to report an occurrence of unauthorized access or known security breaches to the designated PHA/HUD staff person(s)? None occurred.	X	

15. What security methods does the PHA use to provide physical security of UIV data? Check all that apply.

- (X) Restricted areas () Locked containers
(X) Locked rooms () Reinforced perimeters
() Locked buildings with guards (X) Locked file cabinets
() Other (please specify)
() None

16. How does the PHA dispose of UIV information once the data has been used and served its purpose? Check all that apply.

- () Burn (X) Shred () Erase () Other (please specify) Type text here
() None

Certification of PHA Security Compliance

- The PHA is in compliance with UIV security procedures. (If all responses are “yes” in Section B and the PHA has implemented specific safeguards to protect UIV data.)
- The PHA is **not** in compliance with UIV Security procedures. (If any response is “no” in Section B and/or the PHA has **not** implemented specific safeguards to protect UIV data.)

As a result of non-compliance, HUD will take the following actions (**check at least one**):

- Terminate all PHA users’ access to the Enterprise Income Verification (EIV) system. (**Check here if “no” is indicated for any question between 1 and 14 and if “none” is indicated for question 15 or 16.**)
- Terminate the following users’ (list only the users IDs below) access to the Enterprise Income Verification (EIV) system. (**Check here if the answer to question 8 is “no”.**) : i.e. H12345
- Schedule a follow-up UIV Review within 90 days or sooner. (**Required for any PHA that is not in compliance with UIV Security Procedures.** Submit new UIV Monitoring Report for follow-up review)
- Other: Specify here

C. ELIMINATION OF SUBSIDY PAYMENT AND TENANT RENT ERRORS THROUGH RESOLUTION OF UIV INCOME DISCREPANCIES
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Requirements: Field Office staff is responsible for selecting five (5) additional tenant files, **per program** reviewed, with the highest dollar income discrepancy at the **100%** threshold level as disclosed on a current Threshold report from the Enterprise Income Verification (EIV) system. Maintain a copy of the Threshold Report used to select the files with your working papers.

Indicate N/A if there are no families listed on the Threshold Report. If the PHA has an interim increase policy, staff should use the annualized last quarter annual income discrepancy amount, if it is greater than the actual annual income discrepancy amount – otherwise use the actual annual income discrepancy amount. If the PHA does **not** have an interim increase policy, staff should use the actual annual income discrepancy amount.

The Field Office staff should review tenant cases files or PHA documentation to ensure that the PHA is aware of the income discrepancy and has taken action to determine whether the income discrepancy is valid or invalid. In the event of a valid case, the Field Office staff is required to confirm that the PHA has taken the appropriate action to eliminate subsidy payment errors and tenant rent errors attributable to the valid income discrepancy. Some examples of appropriate corrective actions are: calculation of retroactive rent due to the PHA, correct monthly tenant rent share, execution of retroactive rent repayment agreement with tenant, and/or termination of assistance.

Specify date of Threshold Report used to select additional tenant files: 12/6/06

Questions	Yes	No
<p>Section 8 Program - Check here if not applicable <input type="checkbox"/></p> <p>Did the PHA resolve all five (5) income discrepancy cases? List the number of cases the PHA resolved <u>5</u>, the percentage of cases completed 100% cases completed/ 5 - total number of cases) and the anticipated completion date that these cases will be resolved by _____</p> <p>Valid Income Discrepancies 0 Invalid Income Discrepancies 4 Unknown 1</p>	X	
<p>Public Housing - Check here if not applicable <input type="checkbox"/></p> <p>Did the PHA resolve all five (5) income discrepancy cases? List the number of cases the PHA resolved <u>5</u>, the percentage of cases completed 100% cases completed/ 5 - total number of cases) and the anticipated completion date that these cases will be resolved by _____</p> <p>Valid Income Discrepancies 1 Invalid Income Discrepancies 4 Unknown 0</p>	X	
<p>1. Does the PHA have documented practices/procedures for using UIV tools in the PHA's occupancy process? If no, provide the date the PHA anticipates updating its administrative policies and procedures. _____</p>	X	
<p>2. Does the PHA have documented practices/procedures for using EIV's Threshold Report in its quality control program or during mandatory re-examination of income? If no, encourage the PHA to implement the use of the Threshold Report on a regular basis to help reduce improper subsidy payments.</p>		X
<p>Reviewer Comments:</p>		

Note: *Valid* income discrepancies are those discrepancies where the tenant misrepresented his/her income. *Invalid* income discrepancies are those discrepancies where the PHA has determined one of the following: 1) the PHA does not have an interim increase policy, thus the tenant was not required to report the income; 2) the effective date of the income was after the tenant interview date for the reexamination of income; 3) the tenant disputes the data and has

contacted the income source to request correction of the data; 4) the tenant indicates he/she is the victim of identity theft and has submitted a police report or other documentation to support this claim.

HUD's completed Upfront Income Verification (UIV) Monitoring Report was provided to the following PHA staff person:

<u>Glori Inafuku, Acting Chief Compliance Officer</u>	<u>4/12/07</u>
PHA Staff Printed Name & Title	Date

SECTION III
CONSOLIDATED REVIEW
HAWAII PUBLIC HOUSING AUTHORITY
SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM
(SEMAP) CONFIRMATORY REVIEW
April 30 – May 18, 2007

PART I. Overview.

The Final Rule issued on September 10, 1998, established the Section Eight Management Assessment Program (SEMAP) that measures a Public Housing Agency's (PHA) performance in fifteen key areas of the Section 8 Housing Choice Voucher (HCV) Program. SEMAP enables HUD to ensure program integrity and accountability by identifying PHA management capabilities and deficiencies related to the administration of the Section 8 tenant-based program. SEMAP also assists the HUD Field Offices in its risk assessment to effectively target monitoring and program assistance of a PHA. Public Housing Agency's can also use the SEMAP performance analysis to assess its own program operations.

On an annual basis, each PHA must complete a self-certification based on the fifteen performance indicators. Under the SEMAP, the Office of Public and Indian Housing (PIH) will annually use the indicators to measure the performance of PHAs.

The levels of performance and the criteria for achieving those levels are shown below.

High performer designation. A PHA shall be designated a high performer if it achieves an overall score ranging from 90% - 100%.

Standard designation. A PHA shall be designated a standard performer if it achieves an overall score ranging from 60% - 89%.

Troubled designation. A PHA shall be designated a troubled performer if it achieves an overall score below 59%.

The Office of Public Housing may modify a PHA's overall performance rating when warranted by circumstances that have a bearing on the SEMAP indicators such as adverse litigation, fair housing and equal opportunity compliance concerns, fraud or misconduct, audit findings or substantial noncompliance with program requirements.

This report contains the results of an on-site SEMAP Confirmatory Review of the Hawaii Public Housing Authority (HPHA) for fiscal year ended June 30, 2006. The SEMAP reflects only one aspect of a PHA's Section 8 management, i.e., the results of its management performance in specific program areas. The SEMAP is not designated to be the sole method of viewing a PHA's overall operations.

HPHA certified to a SEMAP score of 90% for its fiscal year ended June 30, 2006, which would be a High Performer designation. However, the Confirmatory Review resulted in a confirmed SEMAP score of 69%. Subsequently, HPHA is re-designated as a Standard Performer for its fiscal year ended June 30, 2006. This report addresses the indicators and provides an explanation of the SEMAP scores for each indicator.

FINAL GRADE EXPLANATIONS.

Indicator #1 – Selection from the Waiting List (24 CFR 982.54(d)(1) and 982.204(a))

This indicator measures whether a PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admissions from the waiting list. PHAs must certify by indicating yes or no on the certification.

In addition, PHAs are required to perform a quality control review on a sample of applicants who reach the top of the waiting list and are admitted. To receive points for this indicator, the sample must show that at least 98% of the families in the sample, both applicants and admissions, were selected from the waiting list for admission in accordance with the PHA's policies and meet the selection criteria that determined their place on the waiting list and their order of selection. PHAs must certify by indicating yes or no on the certification.

A PHA can score a maximum of 15 points under this indicator. HPHA self-certified that it met the requirements for this indicator and claimed a score of 15 points.

SEMAP requires that a PHA has written policies in its Administrative Plan for selecting applicants from the waiting list and conducts routine quality control samples of the waiting list selection process. A PHA must also have a written methodology and an auditable checklist to verify that the quality control sample leaves a clear audit trail that applicants, who reached the top of the wait list and for admissions, were selected in an unbiased manner. HPHA does have a written methodology and documentation to confirm that it performed a quality control review of its waiting list admissions.

We found that only three out of six (50%) tenant files reviewed met the criteria for this indicator confirming the score to be 0 points.

Indicator #2 – Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

This indicator shows whether the PHA has adopted and implemented a reasonable written method to determine and document reasonable rent determinations for each unit leased and that the rent to owner is reasonable based on current rents for comparable unassisted units at the time of initial leasing, at the time of increase in rent to owner, and at the Housing Assistance Payments (HAP) contract anniversary, if there is a 5% decrease in the published Fair Market rents (FMRs) in effect 60 days before the HAP contract anniversary. The PHA's method must take into consideration the location, size, type, quality, age of the unit, and amenities, housing services, and maintenance and utilities

provided by the owners in determining comparability and reasonable rent. PHAs must certify by indicating yes or no on the certification.

In addition, PHAs are required to perform a quality control review on a sample of tenant files for which a determination of reasonable rent was required to show that the PHA followed its written method to determine reasonable rent and to document its determination that the rent to owner is reasonable as required. PHAs must respond by indicating a percentage of units with documented rent determinations.

A PHA can receive a maximum of 20 points for this indicator if at least 98% of the quality control sample meets the criteria. If the PHA certifies that at least 80% but less than 97% meet the criteria, it is entitled to 15 points. For less than 80%, the PHA is entitled to 0 points.

For the SEMAP certification for fiscal year 2006, HPHA self-certified that it met the requirements for this indicator and claimed the maximum score of 20 points.

SEMAP requires that a PHA have in its Administrative Plan a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units and that the PHA has implemented this method. A PHA must also have a written methodology and an auditable checklist that leaves a clear trail that the quality control sample of files was selected in an unbiased manner. HPHA does have a written methodology and documentation to confirm that it performed a quality control review of rent reasonableness.

Twenty eight out of thirty (93%) tenant files we reviewed met the criteria for this indicator confirming the score to be 15 points.

Indicator #3 – Determination of Adjusted Income (24 CFR Part 5, Subpart F, and 24 CFR 982.516)

This indicator shows whether, at the time of admissions and annual reexamination, the PHA verifies and correctly determines adjusted annual income for each assisted family and, where the family is responsible for utilities under the lease, the PHA uses the appropriate utility allowances for the unit leased in determining the gross rent.

The PHA's quality control sample of tenant files must show that the PHA properly obtained third-party verifications of annual income or documented why third-party verifications were not available, used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family was responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent. A PHA must respond by indicating a percentage of units with correct adjusted income and appropriate utility allowance. Further, a PHA must have a written methodology and auditable checklist that leaves a clear audit trail that the sample size was selected in an unbiased manner.

A PHA can receive a maximum score of 20 points for this indicator if at least 90% of the quality control sample meets the criteria. To receive 15 points for this indicator, at least

80 – 89% of the quality control sample must meet the criteria. If less than 80% of files that meet these criteria, the PHA will receive 0 points.

For the SEMAP certification for fiscal year 2006, HPHA self-certified that 83% of the quality control sample met the requirements for this indicator and claimed a score of 15 points.

HPHA does have documentation to confirm that a quality control review was conducted on tenant files. HPHA does have a written methodology and auditable checklist that the quality control sample of files for new admissions and annual reexaminations left a clear audit trail that was selected in an unbiased manner.

Thirty three out of forty one (80%) tenant files we reviewed met the criteria for this indicator confirming the score of 15 points.

Indicator #4 – Utility Allowance Schedule (24 CFR 982.517)

This indicator measures whether the PHA maintains an up-to-date utility allowance schedule. The PHA must certify that it reviewed the utility rate data which it obtained within the last twelve months, and that it adjusted its utility allowance schedule if there was a change of 10% or more in a utility rate since the last utility allowance schedule was revised. PHAs must certify by indicating yes or no on the certification. A PHA can receive a maximum of 5 points for this indicator.

HPHA certified that it had updated its utility allowance schedule and claimed 5 points for this indicator. Our review indicates HPHA reviewed its utility rate data and revised its utility allowance schedule confirming the score of 5 points.

Indicator #5 – HQS Quality Control (24 CFR 982.405(b))

This indicator measures whether a supervisor or other qualified person reinspected a sample of units during the PHA's fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2) for quality control of HQS inspections. It also measures whether the PHA's supervisory reinspection sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors. A PHA must certify by indicating yes or no on the certification.

A PHA can score a maximum of 5 points under this indicator. For the SEMAP certification for fiscal year 2006, HPHA self-certified that it conducted the required HQS quality control sample reinspections for this indicator and claimed the maximum score of 5 points.

HPHA does have the documentation to support that quality control reviews on HQS were conducted for this indicator. HPHA does have a written methodology and auditable checklist to document that the HQS quality control inspections were conducted in an unbiased manner with a cross section of neighborhoods and cross section of inspectors confirming a score of 5 points.

Indicator #6 – HQS Enforcement (24 CFR 982.404)

This indicator measures whether a PHA's quality control sample of files that failed HQS inspections shows all cited life threatening HQS deficiencies were corrected within 24 hours from the inspection and all other cited HQS deficiencies were corrected within no more than thirty calendar days from the inspection or any PHA approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations. PHAs must respond by indicating whether at least 98% of its sample meets the criteria.

To receive the 10 points for this indicator, the PHA must have data to support that for 100% of the randomly selected sample of files with failed HQS inspections, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, for at least 98 percent of cases sampled, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or within any PHA approved extension. If any life-threatening HQS deficiencies were not corrected within 24 hours and all other HQS deficiencies were not corrected within 30 calendar days or any approved extension, the data must show that the PHA abates housing assistance payments beginning no later than the first of the month following the correction period, or terminates the HAP contract, or for family caused defects, took prompt and vigorous action to enforce the family obligations.

HPHA does have a written methodology and auditable checklist to confirm that a quality control review of HQS enforcement was conducted for all cited life threatening and non-life threatening deficiencies.

Twenty one out of twenty four (88%) tenant files reviewed met the criteria for this indicator confirming a score of 0 points.

Indicator #7 – Expanding Housing Opportunities (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983/301(b)(4) and (b)(12)

This indicator applies to PHAs with jurisdiction in metropolitan FMR areas such as HPHA. The PHA must certify to each of the following questions by responding with a yes or no response:

- a. The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions that the PHA will take to encourage owner participation.
- b. The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.
- c. The PHA has prepared maps that show various areas, both within and in its neighboring jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.
- d. The PHA's information packet for Section 8 Voucher holders contains either a list of owners

- who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.
- e. The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person for each PHA.
 - f. The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside of the areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

If a PHA meets all six of the listed criteria, it can score a maximum of 5 points. If it does not, it receives no points. HPHA certified to 0 point for this indicator. The score for this indicator remains at 0 point.

Indicator #8 – Payment Standard

This indicator measures whether the PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA's jurisdiction and, if applicable, for each PHA designated part of a FMR area, which do not exceed 110% of the current applicable FMRs and which are not less than 90% of the current FMR unless a lower percent is approved by HUD. A PHA must respond with a yes or no answer and list the FMRs and payment standards by bedroom sizes.

A PHA can score a maximum of 5 points for this indicator.

For the SEMAP certification for fiscal year 2006, HPHA self-certified that the FMRs for the jurisdiction it serve do not exceed 110% of the current applicable FMRs and are not less than 90% of the current FMRs. The FMRs and Payment Standards on the HPHA's FY 2006 certification show that the payment standards are at 110% of the FMR confirming a score of 5 points.

Indicator #9 – Timely Annual Reexaminations (24 CFR 5.617)

This indicator shows whether the PHA completes a reexamination for each participating family at least every 12 months. The initial rating for this indicator is assigned by the SEMAP based directly on data from the Multifamily Tenant Characteristics System (MTCS). If fewer than 5% of all PHA reexaminations are more than two months overdue, the PHA receives a grade of 10 points. If 5 – 10% of all PHA reexaminations are more than two months overdue, the PHA receives 5 points. If more than 10% of all the PHA reexaminations are more than two months overdue the PHA is entitled to 0 points.

The MTCS data used to assign ratings for this indicator comes from the last available summarization of data in the current MTCS database preceding the PHA's new fiscal year beginning date. PHAs are required to submit form HUD-50058 for 100% of families enrolled in the Section 8 Housing Choice Voucher Program. The minimum

acceptable reporting rate is 95%. PHAs that fail to achieve the minimum reporting rate will receive zero points for this indicator. There was no discrepancy reported by the MTCS as HPHA did submit form HUD-50058 for at least 100% of families enrolled in the program.

Based on 0% discrepancy rate reported by the MTCS, HPHA received 10 points for this indicator. Based on our file review, there were no annual reexaminations that were two months overdue confirming a score of 10 points.

Indicator #10 – Correct Tenant Rent Calculations (24 CFR 982, Subpart K)

This indicator shows whether the PHA correctly calculates the family's share of the rents to owner in the rental voucher program. The initial rating for this indicator is assigned by the SEMAP system based on data from the MTCS. Five points are assigned if 2% or fewer of PHA tenant rent and family's share of the rent to owner calculations are incorrect. If more than 2% of the PHA's family share of the rent to owner's calculations is incorrect, the PHA receives 0 points.

The MTCS data used to assign ratings for this indicator comes from the last available summarization of data in the current MTCS database preceding the PHA's new fiscal year beginning data. PHAs are required to submit form HUD-50058 data for 100% of families enrolled in the Section 8 Housing Choice Voucher Program. The minimum acceptable reporting rate is 95%. PHAs that fail to achieve the minimum reporting rate will receive zero points for this indicator. HPHA did submit form HUD-50058 for 100% of families enrolled in the program. There was no discrepancy reported by the MTCS for this indicator.

HPHA certified to 0 point for this indicator. Based on our file review, greater than 2% of the tenant files contained incorrect tenant rent calculations confirming a score of 0 points.

Indicator #11 – Pre-Contract HQS Inspections (24 CFR 982.305)

This indicator shows whether newly leased units pass HQS inspection on or before the beginning date of the assisted lease and HAP contract. The initial rating for this indicator is assigned by the SEMAP system based directly on data from MTCS. If 98% to 100% of newly leased units passed HQS inspection before the beginning date of the assisted lease and HAP contract, the PHA receives 5 points. If fewer than 98% of newly leased units passed HQS inspections before the beginning dates of the assisted leases and HAP contracts, the PHA receives 0 points.

MTCS reports 99% passed HQS prior to date of the assisted lease and HAP contract. Ten out of ten (100%) tenant files reviewed met the criteria for this indicator confirming a score of 5 points.

Indicator #12 – Annual HQS Inspections (24 CFR 982.405(a))

This indicator shows whether the PHA inspects each unit under contract at least annually. The initial rating for this indicator is assigned by the SEMAP system based directly on data from the MTCS. Ten points are assigned if fewer than 5% of annual HQS inspections of units under contract are more than two months overdue. A PHA will be assigned five points if 5 – 10% of all annual HQS inspections under contract are more than two months overdue. Zero points will be assigned if more than 10% of all HQS inspections of units under contract are more than two months overdue.

MTCS reports that 1% of units under contract for the annual HQS inspection are overdue. Twenty nine out of thirty (97%) tenant files reviewed met the criteria for this indicator confirming a score of 10 points.

Indicator #13 – Lease-Up

This indicator shows whether the PHA enters HAP contracts for the number of units under budget for at least one year. In the event the PHA has not leased 95% of units due to escalating housing assistance payments and insufficient budget authority to support the percent of lease-up, the reviewer should use the annual budget authority percentage. To receive 20 points for this indicator, the percent of units leased or budget authority utilized during the last fiscal year was 98% or more. The PHA will receive 15 points if the percent of units leased or budget authority utilized during the last fiscal year was 95 – 97%. The PHA will receive 0 points if the number of units under lease or budget authority utilized during the last fiscal year was less than 95%.

The data from the Financial Management Center indicated that the unit utilization under the Housing Assistance Payment (HAP) Contracts for the units allocated was 65%. The budget authority utilized for the allocated budget authority was 95% confirming a score of 15 points.

Indicator #14 – Family Self-Sufficiency

This indicator shows whether a PHA has enrolled families in its Family Self-Sufficiency (FSS) Program as required. This indicator applies only to a PHA required to administer an FSS program. If the PHA has filled 80% or more of its mandatory FSS slots and 30% or more of FSS families have escrow account balances, the PHA is entitled to receive 10 points. If the PHA has filled 60 – 79% of its mandatory FSS slots and 30% or more of FSS families have escrow account balances, the PHA is entitled to receive 8 points. If the PHA has filled 80% or more of its mandatory FSS slots and fewer than 30% of FSS families have escrow account balances, it is entitled to 5 points. If the PHA has filled 60 – 79% of its mandatory FSS slots and fewer than 30% of FSS families have escrow account balances, the PHA is entitled to receive 3 points. If the PHA has filled fewer than 60% of its mandatory FSS slots and less than 30% of FSS families have escrow accounts, it is entitled to 0 points.

HPHA has filled 91% of its mandatory slots and more than 30% of its FSS families have escrow balances confirming a score of 10 points.

Indicator #15 – Deconcentration Bonus

The PHA may earn bonus points under this indicator if it meets the following criteria:

- a. Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA Fiscal Year (FY); or
- b. The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA fiscal year is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY; or
- c. The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last two PHA fiscal years is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

HPHA certified to 5 points for this indicator. Review of this indicator confirms that 46% of Section 8 mover families with children moved to low poverty census tracts during FY 2006, which is six percent higher than 40% of all S8 families with children residing in low poverty census tract confirming a score of 5 points.

SECTION IV
CONSOLIDATED REVIEW
HAWAII PUBLIC HOUSING AUTHORITY
PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)
CERTIFICATION REVIEW (MASS ONLY)
March 12-16, 2007

PART I: Executive Summary.

In accordance with the Department of Housing and Urban Development's fiscal year 2007 Management Plan, the Office of Public Housing (OPH) selected HPHA to undergo a Public Housing Assessment System (PHAS) Certification Review of its Management Operations (MASS) Certification. PHAS was designed to enhance public trust by creating a comprehensive tool that qualitatively and quantitatively measures a Housing Authority based on standards that are objective and uniform.

The report is divided into two parts: Part I consist of an Executive Summary, Part II provides a Monitoring Report detailing review outcomes. Recipients of this report are reminded that it may contain information of a personal and confidential nature and should not be revealed except in the course of official business.

The purpose of the review was to verify the accuracy of items to which HPHA has self-certified its PHAS. The scope of the visit included, though was not necessarily limited to a review of a PHA's supporting documentation for the items it certified to under the management operations indicator (MASS):

- Sub-Indicator #1: Vacant Unit Turnaround Time
- Sub-Indicator #2: Capital Fund
- Sub-Indicator #3: Work Orders
- Sub-Indicator #4: Annual Inspections of Units and Systems
- Sub-Indicator #5: Security
- Sub-Indicator #6: Economic Self-Sufficiency

Based on the results of our verification review, HPHA's FY2006 score for MASS will be reduced from 19.40 to 18 points.

PART II: Monitoring Report Review Outcomes.

SUB-INDICATOR 1 – VACANT UNIT TURNAROUND

HPHA certified that the average unit turnaround for this assessment year is 176.99 days, which is equivalent to a score of zero (0) point.

This sub-indicator measures the average time it takes HPHA to lease a unit after it is vacated. HPHA certified to turning around 600 units at all developments with an average turnaround time of 176.99 days per unit (see below). Based on the average, HPHA certified a score of zero (0) points for Vacant Unit Turnaround Time.

Element	Description	Certified
V12400	Total turn around days	141,883
V12500	Exempt for Capital Fund	35,691
V12600	Exempt for other reasons	0
	Net turn around days	131,738
V12700	Vacant turned around in FY	600
V12800	Average down time	30
V12900	Average make ready time	101
V13000	Average lease-up time	43
V13100	Average unit turn around time	176.99

We could not verify the score for this particular sub-indicator because HPHA does not have sufficient documentation to justify what it uploaded to the Real Estate Assessment Center (REAC). HPHA provided a 100-page Word document that was reviewed entitled PHAS UNIT TURNAROUND WORKSHEETS, generated on August 9, 2006. The document shows that it was generated for the reporting period 07/01/2005 to 06/30/2006.

Based on the review of the document the unit turnaround time could not be verified because the recorded “downtime” is zero days because the Management Units recorded the “make-ready” time starting on the day when the previous tenant moved out (or lease terminated). The result is an erroneous downtime and make-ready time.

Furthermore, the HPHA did not provide a list of individual dwelling units that were excluded due to modernization and the appropriate justification why the units are excluded; therefore the 35,691 days exempt for Capital Fund could not be verified.

As a result, HUD staff was unable to verify the score for this sub-indicator. However, the score for this sub-indicator is not affected because HPHA certified the average unit turnaround time as 176.99 days, which is equivalent to a score of zero (0) points.

SUB-INDICATOR 2 – CAPITAL FUNDS

HPHA certified a score of seven (7) points under this sub-indicator.

This sub-indicator assesses HPHA's capability to properly manage its Capital Fund/modernization programs. It examines the amount of Capital Fund Program (CFP) funds provided to HPHA, the ability of HPHA to expend and obligate the funds in a timely manner, the adequacy of HPHA's contract administration, the quality of the physical work funded with capital funds, and the adequacy of budget controls.

It is to be noted that the Capital Funds review during this consolidated review consists of two parts; the verification review required under this sub-indicator and also a more comprehensive review required under HUD regulations at 24 CFR 968.335, HUD review of PHA performance. A separate report under SECTION V: Capital Funds Monitoring Review shows the results of the CFP comprehensive review.

To evaluate this sub-indicator and verify HPHA's June 30, 2006 certification, we reviewed the following;

- a. Data contained in HUD's Electronic Line of Credit Control System (eLOCCS).
- b. The last HUD inspection where we issued a written report 75 days prior to the end of HPHA's fiscal year.
- c. The independent auditor's report to determine whether or not Finding(s) were issued under the Capital Fund Program.
- d. Documentation selected at random that is maintained by the HPHA to support eLOCCS fund disbursements and we interviewed HPHA staff.

Note that since September 2002, HPHA has been under a Corrective Action Order (CAO). As required by the CAO, the CFP is under a very strict review process by HUD. All CFP solicitations as well as those funded by operating budgets are reviewed and approved by HUD prior to advertisement and award. Furthermore, a zero threshold was issued for all budget revisions and eLOCCS draws.

We reviewed the following CFPs that were still open during HPHA's fiscal year ended June 30, 2006:

- FFY 2002, Capital Fund Program, HI08P001501-02, Amount = \$14,841,333
- FFY 2003, Capital Fund Program, HI08P001501-03, Amount = \$11,522,486
- FFY 2003, Capital Fund Program, HI08P001502-03, Amount = \$ 2,561,324

Following are the results of the review of each component of the Capital Fund Sub-Indicator:

Component 1: Unexpended Funds Over Three Federal Fiscal Years Old

This component measures unexpended funds over three Federal Fiscal Years (FFYs) old, and not HPHA fiscal years. HPHA did not use the FFY end date preceding the assessed fiscal year end date.

HPHA certified to having no unexpended funds over three federal fiscal years old that do not have a pre-audit end date or that received a pre-audit end date during the fiscal year being assessed. However, our review of the documentation for FFY 2002 Capital Fund Program, HI08P001501-02 (\$14,841,333) shows that although all funds were expended on June 29, 2006, the Pre-Audit date occurred during the assessed PHA fiscal year.

The correct data for both elements CF10050 and CF10100 should be \$14,841,333. HPHA's revised certification for this component will not change its score.

Component 2: Timeliness of Fund Obligation

This component is similar to Component #1 above in that fund obligation is measured by FFYs. HPHA's certification indicated that the total amount of funds authorized for grants over two FFYs old was \$0.00. The files indicate that there are three capital fund grants authorized that over two FFYs old.

Grant Number	Funds Authorized
HI08P001501-02.....	\$14,841,333.00
HI08P001501-03	\$11,522,486.00
HI08P001502-03.....	<u>\$2,561,324.00</u>
TOTAL	\$28,925,143.00

HPHA indicated that all funds were obligated (under contract) within two years. To confirm this component, we reviewed HPHA's monthly obligation reports as well as a sample of contracts that were a part of the FFY 2002 and FFY2003 grants. The review of the documentation confirmed that all funds were obligated within the two federal fiscal years.

The correct data for both elements CF10050 and CF10100 should be \$28,925,143. HPHA's revised certification for this component will not change its score.

Component 3: Adequacy of Contract Administration

This component measures HPHA's ability to adequately manage contracts for funded programs. It also measures progress in correcting findings in contract administration, based on findings from the latest on-site review and/or audit performed by HUD, the U.S. Army Corps of Engineers (COE) or an Independent Auditor (A-133). "Finding" means a violation of the statute, regulation, ACC, or other HUD requirement in the areas of contract administration. Performance under this component is based upon HPHA's fiscal year, rather than the FFY that was used for components #1 and #2. HPHA indicated that HUD performed the last on-site inspection on September 10, 2002. The two findings identified in the report have been corrected.

The findings issued on September 10, 2002 will no longer apply for the fiscal year being assessed. HUD conducted a confirmatory review for the PHA's fiscal year ending June 30, 2005 on November 28 through December 6, 2005 and issued a report dated December 9, 2005. No findings were issued during the review. The independent auditor issued a report (A-133 covering the PHA's FY 2005) on November 1, 2005 that was accepted by REAC on May 10, 2006. The auditor issued no findings.

The correct data elements for this component are: CF11700 - 12/9/2005, CF11800 - 0 and CF11900 - 0. HPHA's revised certification for this component will not change the score.

Component 4: Quality of Physical Work

This component evaluates the quality of physical work for funded programs and measures performance based on the HPHA's fiscal year end of June 30, 2006. As in component #3, it also measures progress in correcting findings related to work quality based on findings from the latest on-site review and/or audit. HPHA indicated that HUD performed the last on-site inspection on September 10, 2002.

HUD conducted a confirmatory review for the PHA's fiscal year ending June 30, 2005 on November 28 through December 6, 2005 and issued a report dated December 9, 2005. No findings were issued during the review. The independent auditor issued a report (A-133 covering the PHA's FY 2005) on November 1, 2005 that was accepted by REAC on May 10, 2006. The auditor issued no findings.

The correct data element for CF12200 is 12/9/2005. The score for this component will not change.

Component 5: Adequacy of Budget Controls

This component evaluates the adequacy of HPHA's budget controls for the CFP. HPHA indicated that \$16,771,917.34 was expended during the assessment period (July 1, 2005 through June 30, 2006). Also, HPHA indicated that all funds were expended on approved work items in a HUD-approved CFP and that zero dollars were expended under budget revisions with prior HUD approval. We reviewed the documentation for CFPs listed below:

Total expended from July 1, 2005 to June 30, 2006:

Grant Number	Funds Expended
HI08P001501-02.....	\$8,547,956.76
HI08P001501-03	\$9,304,687.00
HI08P001502-03.....	\$2,493,298.89
TOTAL.....	\$20,345,942.65

Since HPHA was under a CAO requiring prior HUD approval of all fund disbursements, all documentation to support payment was reviewed by HUD staff before the funds were released. The score under this component is unchanged.

SUB-INDICATOR 3 – WORK ORDERS

HPHA certified a score of zero (0) points under this sub-indicator.

This sub-indicator is a measure of HPHA’s ability to maintain decent, safe and sanitary housing in its portfolio. Specifically, it measures the timeliness in addressing repair needs at its properties. Deficiencies in this aspect of property management have a direct effect on the quality of residents’ lives; in some cases, deficiencies here threaten their health and safety.

Component 1: Emergency Work Orders

This component assesses the degree to which HPHA corrected (either repaired or abated) emergency work orders received during the assessment period. To receive the two points eligible under this component, HPHA must have corrected or abated at least 99% of all emergencies within 24 hours during HPHA’s assessment year. The table below shows the data submitted by HPHA in its MASS certification.

Element	Description	Certified
W10000	# Emergency work orders	3,527
W10100	# Completed/abated in 24 hours	3,095
W10200	% Completed/abated in 24 hours	87.75%

During the verification review of this component, HPHA did not provide any supporting documentation because the MIS staff that used to generate crystal reports left the agency. However upon further inquiry from the MIS department, we found that crystal reports can be generated and were in fact generated and submitted to HUD. However, it was found that numerous emergency work orders were not closed in a timely manner. In fact, numerous emergency work orders remain outstanding for many.

The score for this component will remain zero points.

Component 2: Non-Emergency Work Orders

Element	Description	Certified
W10500	# Non-emergency work orders	31,919
W10600	# Calendar days to complete non-emergency work orders	1,067,593
W10700	Average days PHA has reduced completion time over last 3 years	N/A
W10800	Average completion days	33.45

Verification by HUD staff was not necessary because HPHA staff informed HUD that the data submitted was incomplete. The number of calendar days to complete non-emergency work orders did not include any of the numerous work orders that remained open during the entire fiscal year. Each of these work orders adds 365 days to the total days to complete non-emergency work orders. Furthermore, the entire work order system needs to be purged of old work orders that have been open for several years. There is also inconsistency with respect to coding of emergency, urgent and routine work orders. The HPHA also lacks a priority code definition guideline/manual so that coding is consistent PHA-wide.

Based on the above, HUD staff was not able to verify this component. Therefore, we will reduce the score for this component from 1.40 to zero points.

SUB-INDICATOR 4 - ANNUAL INSPECTIONS

HPHA certified a score of zero (0) points under this sub-indicator.

This sub-indicator examines the percentage of dwelling units and systems that HPHA inspects annually. It is divided into dwelling units and systems, common areas, and non-dwelling space. HPHA is required to conduct inspections in accordance with the Uniform Physical Condition Standard (UPCS). These annual inspections provide HPHA a management tool to ensure housing is decent, safe and sanitary, and maintained in good repair.

Component 1: Annual Inspection of Dwelling Units

HPHA certified that it inspected 58.53 % of all required dwelling units in the assessed fiscal year. To receive the maximum points available for this component (2.0 points), HPHA must inspect 100% of available units. HPHA certified that it has 5,363 dwelling units, but that 168 of them are exempt from the inspection requirement due to modernization and that 30 units are exempt for other reasons. This leaves 5,165 units to be inspected. HPHA certified that it inspected 3,870 of these using the UPCS protocol. This is an inspection rate of 58.53 %, which resulted in zero (0) points for the component. The table below shows the data on its certification:

Element	Description	Amount
A10000	Total # of ACC Units	5,363
A10200	Vacant units exempt – CFP	89
A10300	Vacant units exempt – other reasons	0
A10400	Units inspected using UPCS	3,087
A10550	Units that did not require repairs	820
A10600	Units where repairs were completed or work deferred to CFP	2,267
A10700	Adjusted units available	5,274
A10800	Per Cent of units inspected	58.53%

The process of verification of this sub-indicator started with reconciling the unit counts among what was reported as inspected, the unit count as reported in PIC, and the number used during REAC physical inspections.

UNIT COUNTS, VARIOUS SOURCES

Unit Count as reported by HPHA	5,363
Unit Count from PIC	5,479
Unit Count from REAC latest Physical Inspection	5,310

It was later determined that the most probable unit count is 5,363. The discrepancy was due to the double entries made for the Lanakila Developments. The double entries were required to rectify a major problem caused by redevelopment of the demolished units at Lanakila. It was also due to the nine units sold at Waimanalo that have not been removed from PIC.

HPHA provided HUD staff with a one-page report called "2004 –2005 AUI UNIT SUMMARY." This report lists all Developments along with the total number of units, correct AUIs, number of units that did not require work orders, modernization units and demo units. Upon further inquiry, HPHA could not provide a detailed list of the 168 modernization units that were exempted from inspection. It could not also provide any document to justify the 30 units

The HPHA conducted AUI's for only 3,870 dwelling units resulting in zero (0) points for this component. Furthermore, HPHA could not provide documentation to support the exemption of 198 dwelling units. It was therefore pointless to proceed with the verification of the completed UPCS inspection forms. Thus, verification for this component was terminated and the score for this component remains zero (0) points.

Component 2: Annual Inspection of Systems Including Common Areas and Non-Dwelling Space

This component examines the percentage of projects and buildings inspected in the assessed year. It is computed by calculating the percentage of projects inspected and the percentage of buildings inspected. Then the grade for the component is based on the lower of these two percentages. HPHA certified that it completed 100% of the required inspections as shown in the following table:

CERTIFIED DATA

Element	Description	Amount
A11100	Total number of projects	68
A11200	Number of projects exempt from inspection	0
A11300	Number of projects where systems were inspected	14
A11400	Total number of buildings	848
A11500	Number of buildings exempt from inspection	3
A11600	Number of buildings were inspected	281

A11700	Number where repairs were completed or deferred to CFP	263
A11800	Percentage of projects inspected	20.59 %
A11900	Percentage of buildings inspected	33.25 %

To verify this component, HPHA provided a single page printout entitled “2004 – 2005 SITE, BUILDING AND SYSTEM AUI’s.” The printout listed all of the HPHA’s Developments, Total AUI’s, Correct AUI’s, No Observed Deficiencies, and MOD. No other documentation was received from HPHA.

Since the percentages of projects and buildings were extremely low resulting in zero (0) points for this component, it was pointless to do further verification. Therefore, the score for this component remains zero (0) points.

SUB-INDICATOR 5 – SECURITY

HPHA certified a score of four (4) points under this sub-indicator.

Component 1: Tracking and Reporting Crime-Related Problems

The MASS certification for this component indicated that HPHA Board of Commissioners adopted policies to track crime and crime related problems on 1/17/97 and implemented its procedures on 5/26/98. The review team verified HPHA certified it adopted and implemented its procedures to track crime and crime related problems on 1/17/97 and 11/15/05; and implemented a cooperative system for tracking and reporting crime to the local police authority on 7/1/02. HPHA certified that it reported 91% of its developments tracked crime and crime related problems. The review team confirmed 91% of HPHA developments tracked crime and crime related problems. Although the dates differ for the HPHA implementation of its procedures for tracking crime and crime related problems, HPHA met the criteria for this component. The review team verified that HPHA maintained documentation which demonstrated HPHA tracked criminal activity. The score for this component will not change.

Component 2: Screening of Applicants

The MASS certification indicated that HPHA Board of Commissioners adopted screening procedures that reflect the One-Strike criteria on 12/16/04 and HPHA implemented its procedures on the same date. The review team verified HPHA adopted and implemented its screening procedures that reflect the One-Strike criteria on 12/16/04. The certification also stated HPHA could document that the procedures resulted in successfully denying admission to applicants who met the One-Strike criteria, and stated that 45 applicants were denied admission during FY 2006. HPHA produced documents to support 45 applicants were denied admission.

The Housing Authority produced documentation for tenants who were denied admissions. The team verified that there was evidence in the files that indicated HPHA is screening applicants based on One-Strike criteria. All of the files reviewed indicated that applicants were appropriately denied admission based on arrest and or conviction

information related to drug/criminal activity. Overall HPHA certified that applicants were denied admission due to the One-Strike Policy and the team verified that HPHA is in fact screening based on that Policy. The score for this component will not change.

Component 3: Lease Enforcement

The MASS certification indicated that HPHA adopted eviction procedures that reflect One-Strike criteria on 1/17/97 and implemented its current eviction procedures on 5/26/98. The review team confirmed HPHA adopted and implemented its procedures that reflect the One-Strike criteria on 1/17/97 and 5/26/98. HPHA certifies that its procedures for the One-Strike criteria resulted in evicting 6 residents during FY 2006.

The review team reviewed all 6 files. All 6 files had documentation reflecting the One-Strike criteria. The total number of evictions as a result of One-strike criteria is 6. The score will not change for this component.

Component 4: Drug Prevention and/or Crime Reduction Program Goals

The MASS certification indicated that HPHA did not have any HUD funded crime reduction program, therefore, was not scored for this component.

There is no score for this component.

SUB-INDICATOR 6 – ECONOMIC SELF-SUFFICIENCY

HPHA certified a score of seven (7) points under this sub-indicator.

HPHA certified to 5 HUD-funded economic self-sufficiency programs. HPHA did not certify to any non HUD-funded economic self-sufficiency programs. The Housing Authority certified that it had 24 goals related to economic self-sufficiency.

The review team reviewed HPHA's documentation relating to the programs and goals and confirmed that HPHA met 22 goals or 92% accuracy. The score for this component will not change for this component.

**SECTION V
CONSOLIDATED REVIEW
HAWAII PUBLIC HOUSING AUTHORITY
PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)
CAPITAL FUNDS MONITORING REVIEW
April 2-26, 2007**

On April 2 - 26, 2007, Bill Sabalburo, HUD Facilities Management Engineer conducted a field monitoring review of the Hawaii Public Housing Authority's Capital Funds Program (CFP). The review was conducted concurrently with our Consolidated Review of HPHA.

The objective of the CFP field monitoring review is to ensure that HPHA is implementing the CFP in accordance with HUD regulations at 24 CFR 968.335. Specifically, the purpose of our annual CFP review is to determine whether or not, the HPHA (1) is implementing the CFP in conformance with its comprehensive plan, (2) has continuing capacity to carry out its comprehensive plan in a timely manner, and (3) has made reasonable progress in implementing timely the CFP.

During the review, several of HPHA's developments were visited. During the visit, a walkthrough was conducted at each site to determine the overall conditions of the sites, buildings and selected units. Some long-term vacant dwelling units awaiting unit preparation by in-house maintenance staff as well as those units that contractors are in the process of renovating were inspected. Some completed units that are awaiting lease up were also inspected.

The following CFP grants were reviewed. The grant program year and amounts authorized are as shown.

Grant Number	Funds Authorized
HI08P001501-02.....	\$14,841,333.00
HI08P001501-03	\$11,522,486.00
HI08P001502-03.....	<u>\$2,561,324.00</u>
TOTAL	\$28,925,143.00

We conducted a detailed review of the following contract files.

Contract No. & Description	Original Cont. Amount
CMS 05-01, Kalihi Valley Homes Phase 3A.....	\$9,441,064
CMS 04-06, Lanakila Homes Phase 2B	\$5,271,000
CMS 06-19, Kahale Kahaluu Modernization	\$10,555,500
CMS 02-04, Waimaha-Sunflower Modernization.....	\$ 3,370,096.00
CMS 03-13, Structural Investigation and Repairs, Makamae	\$3,377,000

We conducted a detailed review of the project and contract files for program compliance. Overall, we found that HPHA is implementing the CFP in a satisfactory manner. We found that the work items under the three grants that we reviewed were in conformity with HPHA's Five-Year Plan. Funds are being obligated and expended either on time or in some cases ahead of HUD-established deadlines. Based on the documentation we reviewed, we found that the HPHA is ensuring wage requirements under the Davis-Bacon wage rates are being monitored adequately. We wish to thank your staff for their hard work for ensuring that the capital fund implementation is in accordance with program requirements, and in ensuring that funds are obligated and spent on time. However, we found significant problems in some areas.

Finding No. 1: The HPHA failed to enforce the consultant contracts for all its consultant-designed construction projects.

Condition: The design consultants (Architect-Engineer) for the construction contracts failed to conduct post completion/warranty phase inspections and make recommendations to HPHA regarding construction, and equipment warranties.

Criteria: HUD Form HUD-51915, Model Form of Agreement Between Owner and Design Professional, paragraph A. 1.2.6, which is the contract between the HPHA and the consultant requires that the consultant conduct post completion/warranty phase inspections. Specifically, the consultant is required to perform an inspection of construction work, material, systems and equipment no earlier than nine months and no later than ten months after completion of the construction contract and make a written report to HPHA.

Cause: The HPHA project managers overlooked this requirement under the contract. Therefore, they failed to require the consultant to conduct the required inspections. However, they have been diligently ensuring that all material and equipment warranties are submitted as part of the close-out procedure.

Consequence: Construction defects may not be discovered prior to the end of the one year warranty period if the consultant fails to reinspect the project prior to the end of the one year warranty period.

Corrective Action Required: Ensure that the consultants perform the post completion/warranty inspections as required under the contract.

Finding No. 2: Construction inspection was inadequate for contract CMS 05-01, Kalihi Valley Homes Phase 3A for the period June 6, 2005 through September 22, 2005.

Condition: The Project Inspector did not prepare an adequate construction inspection report during the period indicated. The HPHA has a comprehensive inspection log that documents onsite activity for each contract. However, for the construction contract CMS 05-01, only photographs were taken during the time indicated. Photographs are

inadequate because they do not show the type/number of contractor's personnel, equipment, weather, etc. during the inspection period.

Criteria: In accordance with HUD regulations at 24 CFR 968.140, On-site inspections, it is the responsibility of the PHA to provide, by contract or otherwise, adequate and competent supervisory and inspection personnel during modernization, whether work is performed by contract or force account labor and with or without the services of an architect/engineer, to ensure work quality and progress.

Cause: According to Project Inspector, there was too much workload during that time period.

Consequence: Inadequate documentation is not maintained in the project files. Considering that HPHA paid a substantial amount of money to settle a claim filed by another contractor for Phase II of Kalihi Valley Homes, it is absolutely essential that adequate records be maintained not only for Phase 3A but for all construction projects.

Corrective Action Required: Project Managers and Inspectors should prepare adequate construction inspection reports as required.

Finding No. 3: The HPHA violated the terms of the Corrective Action Order in (a) executing the contract award document and (b) change order for contract CMS 04-06, Lanakila Homes 2B without first obtaining HUD approval.

Condition: Although HUD approval was not given until June 16, 2004, the HPHA Executive Director acting as the procurement officer issued a letter to the contractor awarding the contract on May 21, 2004. Furthermore, the Executive Director signed the contract on June 17, 2004 but effective as of May 27, 2004. Work under a change order in the amount of \$ 96,089 had been completed prior to submission to HUD for approval.

Criteria: Under the terms of the Corrective Action Order issued by HUD on September 10, 2002, all contracts in excess of \$25,000 should be submitted to HUD for approval. Furthermore, all proposed contract modification should be submitted to HUD.

Cause: It is unclear why the contract and the change order were not sent to HUD for approval in a timely manner.

Consequence: The Corrective Action Order is a legal document which became a formal part of the Annual Contributions Contract (ACC). As such, any violation to its provision(s) may result in a breach of the ACC or cause HUD to withhold funds.

Corrective Action Required: The HPHA should ensure that all contracts in excess of \$25,000 and change orders are forwarded to HUD prior to execution.

The above three Findings will not affect the HPHA's FY2006 MASS score. Only those findings issued on/before April 15, 2006 will affect HPHA's FY2006 MASS score.

SECTION VI
CONSOLIDATED REVIEW
HAWAII PUBLIC HOUSING AUTHORITY
FINANCIAL MANAGEMENT REVIEW

April 2 - 4, 2007

Review Purpose and Scope

The purpose of the review is to evaluate HPHA's financial management performance of the Public Housing Program. HPHA received 21 out of 30 points for the 2006 Financial Assessment Subsystem (FASS). The agency scored "0.7" out of 4.5 for the sub-indicator Tenant Receivable Outstanding and "0" out of 1.5 for the category of Expense Management.

The review of HPHA's financial management included:

- Agency's budgetary control and internal control over the various programs
- Financial information system that provides data for budgeting, daily operation, Financial Data System (FDS) inputs, and other reports for decision making
- Effectiveness of rent collection

Summary

During our review, we found that the budget was not being monitored monthly and cost overruns were not recognized when occurred. The lack of budgetary control resulted in the agency operating with deficits. There were no financial statements available for the Board, Executive Staff, and the Management Unit (MU) managers for review, and no general ledger for the entire fiscal year of 2007. Based on the 2006 data, HPHA's operating cost per unit was \$99.59, which was not at a reasonable level compared to other agencies with similar size. The rent collection policy was not enforced at certain management units and the uncollectible balances were not written-off timely.

Findings and Concerns

Finding No. 1: Improvements Needed over Budgetary and Internal Controls.

Condition: The actual expenses are not being tracked, analyzed and compared to the budgeted amounts. Managers are not aware of the funding utilization of the MUs, which allows over-expenditures to occur. There are no financial monitoring reports presented to the board.

Criteria: The Public and Indian Housing Low-Rent Technical Accounting Guide, 7510.1, Section II.4 states that a budget, once approved, becomes a blueprint for action and a control mechanism, and that the PHA analysis of actual performance against the

budget will provide assurance that variances will be identified and investigated before year-end closing and preparation of financial statements.

Cause: Due to the high turnover rate and vacancies in the accounting division, HPHA was not able to monitor the actual expenditures.

Consequence: The Board, Executive Staff, and MU Managers are unaware of the overall financial condition and performance of the agency. MU managers are unaware of the deficits and use funding ineffectively. HPHA's Expense Management sub-indicator under FASS was substantially higher than its peers.

Corrective Action Required:

- a. Fill vacant positions responsible for financial management and fully train staff.
- b. Prepare monthly actual to budget comparison reports to ensure that the agency will have sufficient funds to adequately cover the operations.
- c. Prepare monthly cost analysis reports by MU level, so the managers are aware of expenditures and budget variances. Ensure managers analyze the causes of any overruns.
- d. Modify the format of the monthly financial report that the agency presents to the Board to include information such as budget variances and overruns.
- e. Submit to our office the abovementioned reports by Aug. 30, 2007.

Finding No. 2: Financial system upgrade needed.

Condition: HPHA has account payable entries for only the month of June 2006 and no general ledger in file.

HPHA was using the general ledger application that was stored on the State of Hawaii's mainframe. Prior to the expiration of the contract, the data entry for all financial transactions was performed externally by the Data Entry Institute of Hawaii (DEIH). Also due to the technical difficulties of maintaining the old programming language of the mainframe system, almost all expense data for fiscal year 2007 had not been entered. HPHA has no general ledger or financial statements.

From our review, the Accounting Module of the Emphasys system appears to have the capability of generating timely financial reports and calculating the scores for each PHAS indicators.

Criteria: In accordance with PIH Technical Accounting Guide, 7510.1, Section I, Systems should provide timely, accurate and complete financial information for management decision making.

Cause: Due to lack of training and acceptance by the staffs, the Accounting Module in Emphasys software has not been utilized and HPHA relies on the mainframe to produce the financial statements.

Consequence: No financial reports are available.

Corrective Action Required:

- a. Fully utilize the Accounting Module of the Emphasys software in maintaining accounting data and producing financial reports.
- b. Provide training to staff and encourage acceptance of the new system.
- c. Complete FY2007 account payable and general ledger entries in Emphasys and generate an accurate general ledger.
- d. Submit to our office copies of the general ledger and trial balance from the Emphasys system by Aug. 30, 2007.

Public Housing Concern No. 1: Ineffective management of tenant account receivables (TAR) and collection of rent.

Condition: HPHA received a score of "0.7" out of "4.5" for the category of Tenant Receivable (TAR) Outstanding and took an average of 71 days to collect rent. As of April 2007, out of the total TAR of \$4 million, approximately \$1.4 million was for non-vacated tenants and \$2.7 million was for vacated tenants.

Cause: Rent collection and write-off policies were not being enforced at the MU sites. The MU managers did not take follow-up actions on the delinquent accounts or refer cases for eviction.

Consequence: Rents are not being collected on time and thus allowing TARs for active tenants to become large balances. HPHA's rent collection is skewed by the inclusion of a significant amount of TAR for inactive tenant accounts.

Corrective Action Required:

- a. Ensure MU managers understand the impact of rent collection on the budget and start enforcing HPHA's rent collection policy at each site.
- b. Ensure MU managers refer delinquent cases for eviction and uncollectible TARs for timely write-offs.

**BOARD TRAINING
SESSION 4**

PROCUREMENT

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

Period Ending: JULY 31, 2007
Contractor: MDSTRUM HOUSING SERVICES
Contractor's Point of Contact: Juan Patterson (504) 366-3206 pilotjuan@aol.com

SIGNIFICANT CONTRACT MANAGEMENT CONCERNS

Description of Problem: None to Report
Action Taken or Recommended: N/A
Status/Problem Resolution: N/A

MILESTONES AND ACCOMPLISHMENTS

Agreement to Implemented Policy Change to Reduce Abuse of Overtime - Based on our recommendation, the Executive Staff is planning to stop one aspect of abuse of the overtime system by agreeing to establish a policy that to prohibit the assignment of overtime work to employees who have not worked 40 hours during the week.

Conducted Board Training – Juan Patterson, MDS Project Manager, and Larry Jones, Board Advisor, provided the Board with the third installment in a series of four training sessions. The training took place at the Board meeting on July 18th and focused on the Requirements and Characteristics of the Asset Management Model of Operation. Subject matter included the regulatory requirements for the transition to Asset Management, the concept of Cost Centers, and the Financial and Management implications of Asset Management.

Staff Training – Up to 45 members of the HPHA staff attended Asset Management training presented by Juan Patterson and Larry Jones. This two-day training session covered HUD's requirement for the transition to Asset Management and the roles of the Managers in an Asset Management environment. The key characteristics of project-based management, and related budgeting and accounting requirements were presented. Based on the assessment of staff responses to training evaluation questionnaire, the staff's level of understanding (strong and average combined) of Asset Management improved from 47% before the training to 91% (strong and average combined) after the training. In addition, 91% of the responding participants in the training feel that they now have an average to strong level of understanding of Asset Management.

Improved Accountability Systems – The Advisor developed a detailed process for initiating disciplinary actions against employees who violate company rules and regulations. The process holds employees accountable, and it does this in a manner that is consistent with HPHA personnel rules or regulations, Civil Service rules and regulations, and the collective bargaining agreements. The process, including forms and procedures, was provided to Executive Director and Personnel Officer for review.

Elevator Repair – Much progress has been made on the repair of defective or malfunctioning elevators. Quite a few have been fixed and all broken elevators under the current contract are scheduled to be repaired by 7/31/07.

Issued Accounting RFP - HUD approved the RFP for CPA/Accounting Services on July 19, 2007 to issue the RFP, and the RFP was issued that afternoon. HPHA faxed the solicitation notice to app. 10 companies. The purpose of the RFP is to complete the General Ledger, provide daily Accounting services for the year, produce financial statements and upload financial reports to HUD's Financial Data Schedule.

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

Initial Evaluation of Job Candidates – Completed the review of the 21 resumes for the position of Property Management Maintenance Services Branch (PMMSB) Chief.

HOT BUTTON ISSUES AND ALERTS

Slow Leasing of Ready Units – At one point during this reporting period, the HPHA had approximately 112 units ready to rent. The waiting list is a healthy one, therefore leasing should not be a problem. However, because of its 3-offer policy and its admissions practices, the agency has been slow to fill vacancies. The agency, at its July Board Meeting, adopted a one-offer plan to address this. The Board Advisor is also advising staff on practices it can use (i.e., maintaining a full pool of qualified and ready candidates) to speed the leasing process.

Monthly and Year-End Closings – Work continued during this period and progress continues to be made, but the entry of raw accounting data into the General Ledger (GL) is still a critical concern. A new Chief Accountant has been hired (Charles Itliong) and he has made a commitment to creating the General Ledger and preparing the financial statements for FYE 6/30/06 by 8/15/07. However, there have been periodic problems with the automated system during this period and errors in the original data entry and in trial balances still require required time-consuming review and correction. ECS is continuing to provide remote assistance to HPHA staff for the entry and conversion of FY07 accounting data. **Books have not been closed for any months for FYE 6/30/07.** The unaudited FASS submission is due August 30. At this time, it appears doubtful that this submission deadline will be met. After considerable delay, the HPHA has issued the RFP to secure Accounting Services for the purpose of performing monthly and year-end closings.

Transition to Asset Management – The agency is taking this issue seriously but still needs technical assistance to fully set the process in motion. Work has begun on defining the role of the Central Office vs. that of the Sites. However, no organizational changes have been charted, nor has it established project based budgets. While the latest guidance from HUD gives the agency more time to comply with Management Fee restrictions for COCC operations, it has not defined costs and revenue attributable to its cost centers (including the Central Office Cost Center and Asset Management Projects). Both HUD (Honolulu Field Office) and HPHA are evaluating options to address this situation.

Loss of Key Personnel – The top-ranking Finance position formerly occupied by Lucy Pascual, who resigned effective 6/16/07, has been filled by Charles Itliong. Other positions in Finance are being recruited and filled as well. The position of Chief of the Property Management and Maintenance Division, recently vacated by Norman Ho, is in the process of being recruited. Twenty-one applications have been received, but only four of the 21 applicants meet the minimum requirements for the job. The four applicants will be interviewed for the position. Two of the four do not meet Hawaii's residency requirement, but both will be given the opportunity to move to state within 30 days of hiring, if selected.

Procurement of Auditor for FYE 6/30/07 IPA Audit – The agency has yet to begin the process of securing the services for the audit of the books for the fiscal year just ended. Staff has been advised to make this a priority, but this action is being delayed because of a concern that the impact of Asset Management on auditing costs is not known. We continue to recommend that the HPHA prepare and issue a solicitation for this service.

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

CONTRACT-RELATED ACTIVITY DURING SUBJECT REPORTING PERIOD

PROJECT PLANNING AND MANAGEMENT

- **Prepared June Monthly Report**
- **Reviewed Board Advisor Work Products** – This included the review of memos, weekly reports, and assessments for content, quality and issues.
- **Project Supervision** – Initiated or participated in periodic and frequent teleconferences and email contact with the MDS Board Advisor. This also included assistance with the preparation of June Board training materials and providing technical and regulatory information to the onsite Board Advisor.
- **Met with Local HUD Office** – Discussions included the status of contract activities, current priorities, and future activities to be undertaken by the Board Advisor.

MEETINGS

- Larry Jones, Board Advisor, participated in teleconference with Juan, Chad, and Mei Chong to strategize on how best to secure a CPA to complete G.L, produce financial statements and input same into HUD's FDS and for daily Accounting services for the year.
- Larry Jones met with Chad and Ed Morimoto of the HPHA and a representative of the State of Hawaii to discuss the status of \$28 million in state Capital Improvement Program (CIP) funds for HPHA. HPHA and representative from state. It was agreed that \$10 million will be used to refurbish elevators, \$2 million for cesspool replacement, \$3 million to repair A & B units (Unit Turnaround), and the rest of the money is to be used general maintenance, kitchen & baths (Mayor Wright Homes), security and appliances, etc.
- Larry met with Chad, Central Maintenance, and Modernization to discuss the obligation and budgeting of the \$28 in State CIP funds to address vacant unit turnover and other Capital Fund needs.
- Larry participated in a teleconference with Juan, Chad and Patti to resolve the scheduling problem created by the Board changing its meeting date to 7/18/07. Board Training was rescheduled to take place on 7/18/07, and Staff Training was rescheduled to take place on 7/19/07 and 7/20/07
- Larry Jones conducted site visits to several sites with the Executive Director, the Assistant PMMB Chief (Joanna Chaves) and the Procurement Officer to review conditions and status and to discuss the importance of completing or abating emergency work orders within 24 hours, unit turnaround, rent collection and the responsibilities of staff in the transition to Asset Management. Emphasized was the powerful role Property Managers will play in decision making related to the operation of their properties. Properties visited included: Kalanihulia Homes, Puuwai Momi Homes, Kalakaua Homes, Kalihi Valley Homes, properties on Kauai, and the Central Maintenance facility.
- Larry Jones met with Chad, Patti, and Gary to resolve how best to get HCV/Section 8 landlord checks completed and mailed.
- Larry Jones and Juan Patterson participated and facilitated Board and Staff training on Asset Management.
- Larry Jones accompanied Chad and Executive Staff to presentation before State Senate Committee Chaired by State Senator Susan Chun-Oakland at the Hawaii State Capitol and participated in debriefing to critique HPHA's presentation.
- Met with Applications Department staff to discuss the role of the Applications Department in increasing occupancy, filling rent ready units, and coordinating efforts with Property

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
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Managers to help reduce Unit Turnaround time.

- Met with CMS staff to get an update on the renovations of vacant units including start date, end date, cost of renovations, and sources of funds. The purpose of the meeting is to ensure that progress is beyond the planning stages and results in the actual renovations of units and the lease-up of the units.
- Juan Patterson and Larry Jones met onsite with Mike Flores and Bill Sabalbuero of HUD to discuss current contract priorities and additional tasks that might be the subject of a contract extension or a new solicitation.
- Juan Patterson and Larry Jones attended the regular meeting of the HPHA Board of Commissioners.
- Juan Patterson and Larry Jones met with the Executive Director to discuss continuing areas of concern (Financial Management, Transition to Asset Management, Budget Deficit) and strategies for addressing these concerns.

TECHNICAL ASSISTANCE

- **Conducted Board Training** – Training topics focused on the Requirements for Asset Management.
- **Conducted Staff Training** – provided training on Asset Management. Approximately 45 members of the management and administrative staff attended this two-day training session presented by Juan Patterson and Larry Jones.
- **Key Personnel Vacancies** – Assisted the HPHA staff with revision to and creation of a job description for the position of Financial Advisor. This position will serve in the Office of the Executive Director and will function as the lead financial management employee. Also reviewed applications of candidates for the position of PMMSB Chief.
- **Disciplinary Procedures** – Developed detailed process for initiating disciplinary actions against employees that violate company rules and regulations. This included preparing a form to be used by staff for initiating and documenting progressive disciplinary actions.
- **Advised the Executive Director** – Larry Jones, Board Advisor, maintained daily contact with the Executive Director to brief him on a wide range management issues unique to PHAs and the HPHA. Accompanied the Executive Director to meetings with residents and provided explanation of issues on behalf of the HPHA.
- **Presentation to State Legislature** – Assisted the Executive Director in the preparation of his presentation of an HPHA status and issues report to the State Legislature. This report was well-received by the legislators and is likely to have a positive effect on future funding requests.
- **Advised Staff on Vacancy Reduction and Rent Collection** – This included meeting with Applications, Project Management, and Central Maintenance staff.
- **Advised Staff on Operational Problems** – Work included: Reviewing work order production and providing recommendations for improvement.
- **Monitored Financial Management Improvement Activities** – This included monitoring the status of the Accounting RFP, creation of the GL, and performance of monthly closings.

SUMMARY OF PROGRESS AS OF END OF REPORTING PERIOD:

HAWAII PUBLIC HOUSING AUTHORITY BOARD ADVISOR

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

Task Description	Target Completion	Status
PROJECT PLANNING AND MANAGEMENT		
Preliminary Project Planning and Control		
Contract Award	04/02/07	04/02/07
Post Award Conference Call	04/07/07	Completed 04/04/07
Develop Draft Management Work Plan	04/13/07	Submitted 4/13/07
Develop Final Management Work Plan	04/25/07	N/A – draft plan approved 4/19/07
Develop Quality Control Plan	04/25/07	Submitted 4/13/07
Preliminary Request for Information	04/16/07	Complete – submitted 4/16/07
Conduct Initial Onsite Meetings		
Initial Meeting with Local HUD Field Office Staff	05/02/07	Complete - Conducted meeting on 5/1
Initial Meeting with Board of Commissioners	05/03/07	Complete - Met with Board on 5/11
Initial Meetings with Staff	05/05/07	Complete - Held meetings 5/1 through 5/11
Reporting		
Monthly progress reports	Monthly	<i>Submitted June report</i>
Final Report of technical assistance, observations and recommendations	09/02/07	No activity during this period
Quality Control		
Review weekly reports from Board Advisor	Ongoing	<i>Reviewed weekly reports</i>
Weekly teleconference with Advisor and support personnel	Ongoing	<i>Weekly + as-needed Teleconferences</i>
Monthly teleconference with HUD and HPHA contact	Ongoing	<i>Teleconference w/Mei Chong (HUD), Chad and Larry Jones on July 5</i>
Periodic onsite meetings with Recovery Group	As Scheduled	<i>Onsite meeting with HUD staff on July 18</i>
Review work products	Ongoing	Ongoing (memos, reports, plans)
CAPACITY BUILDING		
Assist with the Development/Revision of Job Descriptions		
Form working group to participate in job description development	05/11/07	<i>Board Advisor, Personnel Officer,</i>

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HAWAII PUBLIC HOUSING AUTHORITY BOARD ADVISOR		
Task Description	Target Completion	Status
		<i>Exec. Dir. Tasked with developing Financial Advisor job description</i>
Identify critical positions in priority order that require new or revised job descriptions	05/11/07	Completed (5/2). Identified positions and priority.
Develop draft job descriptions	06/15/07	<i>Collaborated on the creation of Financial Advisor job description</i>
Review drafts with State Civil Service and obtain preliminary rating	06/30/07	<i>Financial Advisor job description sent to DHR this period</i>
Finalize job descriptions and present them for approval and implementation	07/15/07	<i>Financial Advisor job description finalized</i>
Assist with Hiring Key Positions		
Identify key vacancies in priority order	05/04/07	Ongoing; Resignations and vacancies require hiring of new Accounting Chief, Accountant V & IV and Prop Mgt Chief
Develop a recruitment plan	05/30/07	<i>Ongoing</i>
Review and, if necessary, recommend revisions to job postings	06/15/07	None required during this period
Participate in initial screening and interviews	08/31/07	No activity during this period
Provide Training to Board of Commissioners		
Identify topics to be presented	04/16/07	Complete 4/4. Topics revised 6/11 at HPHA and HUD request.
Develop draft syllabus and sample training materials	04/20/07	Complete. Drafts submitted 5/2
Develop training schedule	05/05/07	Complete - Schedule submitted 5/2. Schedule revised 6/11 at request of HPHA and HUD
Develop training materials	06/15/07	<i>Developed new training materials for July Board and Staff training sessions</i>
Conduct Training	07/31/07	Underway

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Task Description	Target Completion	Status
Board Training Session 1	TBD	Presented first training session for Board on 5/11 (Roles and Governing Agreements)
Board Training Session 2	TBD	Presented training session for Board on 6/21 on Financial Issues
Board Training Session 3	TBD	<i>Presented training session for Board on 7/18 on Asset Management</i>
Board Training Session 4	TBD	No activity during this period
RESOURCE AND INFORMATION MANAGEMENT		
Assist With Securing Qualified Contracted Accounting Services		
Assess status of current procurement	05/11/07	Complete: Met w/Interim E.D. (5/2) and obtained draft solicitation.
Make recommendations for procurement and contracting	05/18/07	Complete; Reviewed and submitted recommended changes to the draft solicitation (5/11)
Participate in contract negotiations	As Required	No activity required during this period
Review and evaluate contractor's work plan	TBD	No activity required during this period
Monitor the Recovery of Financial Reporting Function		
Monitor Contractor's progress in recording past financial transactions, making required journal entries, producing past-due and year-end financial statements, and preparations for annual audit	Ongoing	No CPA contractor hired yet. ECS is assisting. Advisor continued to monitor related staff activity
Provide monthly assessment of Contractor performance	Monthly	No activity required during this period
Provide "as-needed" alerts to Board of Commissioners	Ongoing	<i>Provided oral and written report on the deficit to the Board on July 18.</i>
Monitor Annual Audit Activities		
Review status of current audit	05/18/07	<i>The agency has taken no action on this item</i>

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
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HAWAII PUBLIC HOUSING AUTHORITY BOARD ADVISOR		
Task Description	Target Completion	Status
		<i>despite our advice to them to proceed with this.</i>
Assess, revise or develop plan to accomplish upcoming audit	05/25/07	<i>No action has been taken on this item.</i>
Monitor corrective action on outstanding IPA audit findings		
Assess status of outstanding audit findings	05/30/07	<i>Staff is reviewing the audit findings and is developing a plan of action to close them</i>
Develop corrective action plan for resolving outstanding audit findings	06/30/07	<i>This is underway.</i>
Review monthly reports of corrective action	Ongoing	No activity during this period
Evaluate Financial Position of the Agency		
Assess status of income, expenses, and reserves	06/15/07	<i>Agency lacks data for FY07. Reviewed budget projection and reduced deficit estimates through the to transfer of funds and reallocation of expenses</i>
Assess status of allocation of expenses to Central Office Cost Center	06/30/07	<i>The agency still has not begun allocating expenses to COCC. Recommended that this begin immediately for FY08.</i>
Recommend short-term strategies to stabilize net income, if necessary	07/31/07	No activity this period
Assist With Securing IT Contractor for System Upgrade or Conversion		
Review existing solicitation and/or contract documents and/or contractual relationship with IT Contractor	05/31/07	Complete. Met with IT and Procurement (5/2). Solicitation complete.
Make procurement and/or contracting recommendations	06/15/07	Complete. Solicitation has been approved by HUD and contract was executed.
If necessary, revise or develop Scope of Work and/or Solicitation for IT contractor to develop and/or implement the plan for conversion or upgrade	07/15/07	Complete; recommended that software possess ability to maintain finance data at project level.
If solicitation of services is required, participate in the evaluation of proposals	As Required	Not applicable. Contract award is

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

HAWAII PUBLIC HOUSING AUTHORITY BOARD ADVISOR		
Task Description	Target Completion	Status
		complete.
If required, participate in the review of the IT Contractor's draft and final Work Plans	As Required	Completed June 2007. Reviewed and approved conversion schedule. Agreed with extension request.
Monitor IT Conversion Planning and Execution		
Participate in the establishment of an IT Upgrade Committee	05/31/07	Not required. Specifications for system have been developed and agreed upon.
Participate in the review of and comment on the plans and schedules related to the upgrade or conversion	As Required	Ongoing. Reviewed schedule in the proposal. Completion originally targeted for 9/30/07. Met with Contractor onsite in June and confirmed that due to condition of financial records and level of effort required for data entry and conversion, a two-month extension is required. <i>No additional activity this period.</i>
Review and evaluate periodic progress reports of the IT Upgrade Committee and the IT Consultant	As Required	<i>Received and reviewed report of Emphasys.</i>
PUBLIC HOUSING OPERATIONS		
Develop Vacancy Reduction Strategy		
Assess Condition of Vacant Units		<i>In progress</i>
Develop data collection and reporting tool for evaluation and classification of existing vacancies	05/11/07	Complete. Met with Section Chief; reviewed existing tools
Develop schedule for the evaluation and classification of status of existing vacancies on a property specific basis	05/11/07	<i>In process; scope of work and \$ estimates being refined by staff.</i>
Review staff evaluation, classification of existing vacancies and the estimated cost of preparing classified units for occupancy	05/31/07	<i>In progress</i>
Develop Vacancy Reduction Plan		<i>In progress</i>
Assist staff in developing a budget for vacancy reduction activities	06/15/07	<i>In progress; Completed the allocation of the State contribution of \$3M to vacancy reduction plans.</i>

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TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

HAWAII PUBLIC HOUSING AUTHORITY BOARD ADVISOR		
Task Description	Target Completion	Status
Assist staff in determining appropriate method of preparing unit and develop vacancy prep schedule	06/30/07	<i>In progress;</i>
Assist staff in development of vacancy reduction procurement plan	07/15/07	<i>Staff is nearing contract signing with contractor to rehab the first 50 units</i>
Develop Vacancy Control and Reoccupancy Procedures		
Develop mechanism to obtain staff input and review of procedures	05/11/07	Complete; established vacancy reduction committee and meeting protocol
Develop procedures to address turnover of vacant units in a timely manner, including vacancy control logs and other monitoring and reporting forms		
Develop vacancy control log	05/31/07	Complete; reviewed existing logs and found them to be satisfactory
Instruct staff on the completion and maintenance of the vacancy control log, by property and by management unit	06/15/07	Not Applicable
Develop draft of vacancy prep procedures	06/15/07	No activity during this period
Review and finalize vacancy prep procedures	06/30/07	No activity during this period
Provide copies of the vacancy prep procedures and conduct staff training on the implementation of those procedures	07/15/07	No activity during this period
Instruct supervisors on mechanisms for monitoring the implementation of the procedures	07/15/07	No activity during this period
Develop Re-Occupancy Procedures		
Develop Drafts of Re-Occupancy Procedures	06/15/07	<i>Underway. The Board approved changed to # of offers from 3 to 1.</i>
Review and Finalize Procedures	06/30/07	<i>Procedures implementing this are pending Governor's approval of the policy change.</i>
Provide all staff with copies of the procedures and conduct staff training on the procedures contained therein	07/15/07	No activity during this period
Instruct supervisors on mechanisms for	07/15/07	No activity during this

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

HAWAII PUBLIC HOUSING AUTHORITY BOARD ADVISOR		
Task Description	Target Completion	Status
monitoring the implementation of the procedures		period
Monitor Progress of Improvement Plan Initiatives		
1 - Monitor Vacancy Reduction	Ongoing	
	<i>Met with Maintenance, Capital Fund, Project Management and Applications staff to discuss ways to improve occupancy.</i>	
2 - Monitor Inspections to determine condition of units	Ongoing	<i>This became a moot point when HUD decided to accept last year's scores.</i>
3 - Monitor completion of work orders	Ongoing	
	<i>Still finding that emergencies are being completed in a timely manner, but Emergency work order completion is not entered into system in a timely manner.</i>	
4 - Monitor rent collection	Ongoing	<i>Determined that this is a continuing problem. More emphasis and staff accountability is required.</i>
5 - Monitor procurement and contract administration	Ongoing	<i>Determined that contracts for property management are expiring and must be procured again in Oct and Nov.</i>
6 - Monitor evictions for non-rent cases	Ongoing	<i>Confirmed that Eviction Board is functioning effectively</i>
7 - Resident on HPHA Board of Directors	Not Applicable	Not Applicable
8 - Monitor upgrade of management information system	Ongoing	
	<i>Participated in conference call on July 12 with Emphasys to determine progress on conversion. The process is moving forward, though system crashes have slowed progress</i>	
9 - Monitor budget	Ongoing	
	<i>Trial balance errors are delaying the monthly closings.</i>	

HAWAII PUBLIC HOUSING AUTHORITY
TECHNICAL ASSISTANCE - CONTRACT NO. R-DEN-02146 TASK ORDER NO. 004
Contractors Monthly Status Report

HAWAII PUBLIC HOUSING AUTHORITY BOARD ADVISOR		
Task Description	Target Completion	Status
10 – Monitor Public Housing Agency	Ongoing	
	<i>The Executive Director has focused attention on the critical operating issues of the agency (budget, financial reporting, productivity)</i>	

**Hawaii Public Housing Authority
Board of Commissioner Training – Agenda**

“Procurement for Commissioners”

Day/Date	Time	Lesson Description and Topics
Thursday, August 16, 2007	2 to 2.5 hours	Lesson 4 – Procurement for Commissioners <ul style="list-style-type: none">▪ Procurement Regulations▪ Major Procurement Responsibilities▪ Thresholds and Types of Procurement▪ Types of Contracts▪ Contracting with Section 3 and M/WBE's▪ Ethics in Contracting▪ Required HUD Review

Hawaii Public Housing Authority



**Board Training
Session 4
August 2007
"Procurement"**

PHA PROCUREMENT for COMMISSIONERS

PRESENTED BY:
Juan Patterson
MDStrum Housing Services, Inc.

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1

INTRODUCTION



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Goal of HPHA Procurement

- Ensure goods, services, or construction contracted for are:
 - Delivered efficiently
 - Delivered on time
 - Subject to the proper discharge of responsibilities by all parties

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Regulatory References

- 7460.8 Rev-2
- 24 CFR 85.36
- 24 CFR 968 (PH Modernization)
- 24 CFR 941 (PH Dev't)
- 24 CFR 963 - Resident Businesses
- 24 CFR 135 - Project Area Businesses
- 24 CFR 905 (IHA)

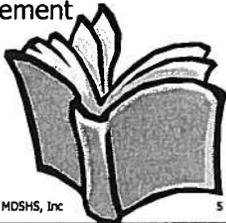
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Handbook 7460.8 Rev-2

- Primary guidance for PHAs
- Complete reference document
- Covers all types of procurement
 - purchase, lease, rental of:
 - supplies & materials
 - equipment
 - services



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State Laws Still Apply

- State procurement laws differ
- PHA must develop its own procedures
 - must be consistent with 7460.8 – Rev 2
 - must be consistent with state law
 - HAR 103



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Mandatory vs. Optional Actions

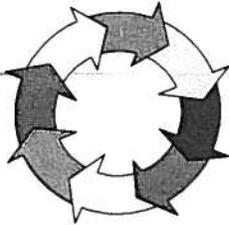
- 7460.8 provides some flexibility to HAS
- "SHALL" = mandatory
- "MUST" = mandatory
- "SHOULD" = suggested
- "MAY" = optional or permissive

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CHAPTER 2



Summary of the Procurement Process (see reference material)

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Procurement Lead Times

*Timeframe	Activity
6 Mo.	BOS meet with PO staff to discuss Statement Of Work and specifications of the proposed contract.
5 Mo.	Finalize specifications and determine the procurement method best suited for the particular program requirement. Draft initial notice for procurement, i.e., RFI, RFP, IFB, etc. and develop cost estimates for cost analysis.
4 Mo.	Post procurement notice.
2 to 3 Mo	Review/Evaluate Proposals/Bids. Begin negotiations.
1 to 2 Mo.	Award and publish Notice to Proceed.

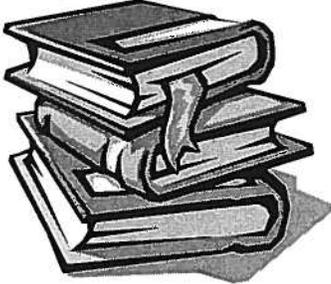
*(Minimum: Months Prior to Contract Award)

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DEFINITIONS (see reference material)



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Key Terms and Acronyms

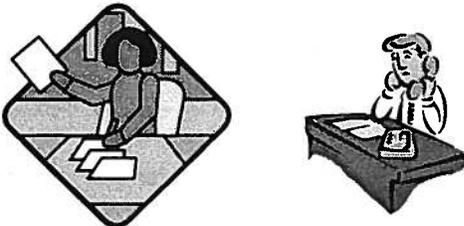
- Contract
- Contract Administration
- Cost Reimbursement Contract
- Firm Fixed-Price Contract
- Indefinite Quantity Contract
- IFB
- RFP
- QBS

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MAJOR PROCUREMENT RESPONSIBILITIES



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Establishing Policies

- Each PHA must have a procurement policy
- Usually HUD approval is not required
 - HUD will monitor HA procurement
- HA Board establishes policy
 - by resolution
 - recorded in meeting minutes

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Procurement Policy (cont'd)

- Policy may not contain detailed procedures
- Executive Director carries out the policy
 - authorized to establish required procedures
 - may delegate only if authorized by Board
- Board appoints Contracting Officer
 - may be Executive Director or other staff
- Policy designates/authorizes staff for purchasing, and sets limits

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Duties of Contracting Officer

- May be Executive Director
- May be appointed by Executive Director
- appointment must be in writing
- must state limitations on authority

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Contracting Officer Must:

- Exercise sound judgement
- Ensure fair treatment of contractors
- Request legal and technical advice
- Provide procurement assistance to HA departments
- Acquire needed goods and services
- Sign all contracts and modifications

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Contracting Officer Must Also:

- Analyze bids and proposals
- Detect and minimize contract problems
- Ratify unauthorized commitments*
- Ensure compliance with:
 - 24 CFR 85.36 and other HUD regulations
 - State and local procurement law
 - HA procurement policy

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Contracting Officer's Signature

- Only C.O. may sign contracts
- Signature is a legal commitment
- Only C.O. may obligate procurement funds
 - contract not valid w/o C.O. signature
 - same for change orders, modifications
- Unauthorized signature may still obligate HA*..... this can be very BAD!

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Procurement and Contracting Duties of HPHA Staff

- Executive Director
 - Provide periodic reports to BOC
 - Review and report violations
- Contracting and Procurement Officer (CPO)
 - Provide advice and assistance to E.D. and Departments
 - Administer day to day function of Procurement Office

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Procurement and Contracting Duties of HPHA Staff

- Bureau Chiefs
 - Develop Annual Procurement Plans
 - Participate in procurement
- Compliance Officer
 - Review, monitor, investigate procurement
 - Evaluate procurement; propose corrective action
- Fiscal Officer
 - Encumber adequate funds for procurement
 - Maintain payment records

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Procurement Request

- Procurement must begin w/ formal request



- internal form
- prepared by department with the need
- must contain complete and accurate info

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Contract File Documentation

- PHA must maintain history of procurement
- Must include appropriate information
 - rationale for procurement method
 - selection of contract type
 - contractor selection or rejection
 - basis for price
- Value dictates amount of documentation

Public Notice of Solicitation

- Advertising in newspaper, industry media
 - once a week for two consecutive weeks
 - must reach substantial local population
- Posting in government publication
- State/local law may have requirements
 - Min. 10 days for all but small purchases

Independent Cost Estimates

- Must be made for every procurement
- Must be made prior to every solicitation
 - It determines the method of procurement
- Estimate must be kept confidential
 - HA may disclose general price range
- Sources include:
 - price lists, commercial publication, price history

Analysis and Basis for Award

- Regulations require a cost/price analysis
 - required for every offer or bid
 - must determine if price is fair/reasonable
- Award to be based only on factors in the solicitation
 - ensures fairness
 - solicitation must clearly define factors

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Authorized Funding

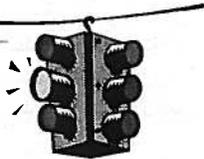
- PHA must ensure that funds are:
 - available to make the purchase
 - set-aside to protect from over-spending
- This requires systems and controls for
 - procurement requests
 - reservation and obligation of funds
 - payment of contractors

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CHAPTER 4



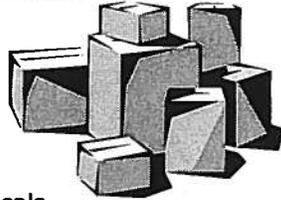
Thresholds and Types of Procurement

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Procurement Methods



- Small Purchases
- Sealed Bidding
- Competitive Proposals
- Non-Competitive Proposals

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Small Purchases

- HUD threshold is \$100,000 or less
 - lower limit if State law requires it
 - (HPHA \$25,000 Threshold)
 - may use petty cash, blanket purchase agreements, purchase orders
- May not break up purchase to avoid limit
- Must use sealed bidding for recurring purchases over the threshold

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Competition in Small Purchases

- Must solicit quotes (usually at least 3)
- 3 written or oral quotes for \geq \$5,000 but $<$ \$15,000
- 3 written quotes for \geq \$15,000 but $<$ \$25,000
- Must rotate vendors for small purchases
- Must ensure price is fair and reasonable
 - review quotes, catalog, comparison with recent purchases

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Small Purchase Documentation

- HA must maintain procurement file with:
 - basis for price accepted by HA
 - copies of price lists used as basis
- Each P.O. should be in separate folder w/:
 - procurement request
 - basis for price
- copy of signed purchase order

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Small Purchase Thresholds and Authority

Position Title	Category	Source Selection
Executive Director	Goods, Services & Construction	Small Purchases under \$25,000
Executive Assistant	Goods, Services & Construction	Small Purchases under \$25,000
Contract and Procurement Officer	Goods, Services & Construction	Small Purchases up to and including \$15,000
Procurement and Supply Specialist II	Goods & Services	Small Purchases up to and including \$15,000

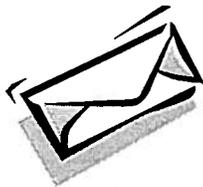
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Sealed Bidding

- Used when above small purchase threshold
- Used for construction and commodities
- Invitation for Bid (IFB) is the solicitation
 - contains specifications
 - contains other required information for bid
- If \geq \$500,000 - Pre-bid conference required



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Bid Opening

- Public opening on scheduled date and time
- Read aloud bidders names and prices
- Record information and make public
- Make no commitments at opening
- Defer decisions on questions, disagreements
- Prepare tabulation of bids
- Record late bids but **DO NOT OPEN THEM**

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Contract Award

- Review low bid for responsiveness
- Reject non-responsive bids
- Review responsive bids
 - request bidders to verify their bids
 - review bidder's ability to perform at price
- Award the contract to lowest responsible bid that meets all requirements

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COMPETITIVE PROPOSALS

- Used as alternative to sealed bidding
- More complex than sealed bidding
- Requires more work in evaluation
- No public bid opening
- Uses multiple factors of award
- Proposals are confidential
- Basis for selection must be made public

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Competitive Proposals

- Alterations in proposals may be allowed*
 - after opening
 - nature and prices
- Offers may be withdrawn prior to award
- Discussions with offers may be held
- Comparative evaluations are used

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Competitive Proposals (cont'd)

- Used when absent detailed specifications
- Used when uncertain about requirements
- Used for professionals contracts
- Document procurement file with reason for using this method

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Solicitation

- Offers are solicited through RFPs that:
 - contain pre-set evaluation criteria
 - understanding of requirements
 - technical approach
 - staffing, capabilities, experience

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Evaluating Proposals

- HA should have evaluation plan
 - CO usually does price/cost evaluation
 - Rating sheet used for each offeror
 - uses numerical ratings
 - uses narrative justification
 - Evaluation panel is recommended
 - at least 3 persons for technical review
 - participate in negotiations

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Evaluating Proposals (cont'd)

- Evaluations must be based on RFP Factors
 - evaluate only proposal content
 - thorough & objective written evaluations



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Negotiations

- Used to clarify requirements and proposals
- Only with offerors in competitive range
- Establish pre-negotiation objectives
 - technical objectives to resolve questions
 - cost objectives
- Obtain written clarifications from offeror

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Best and Final Offers

- These shall be submitted only once
 - If no new offer, Original offer is final one
 - Final round of evaluation is required
- Awards may be made without negotiation
 - RFP must state this possibility
 - Must document reason for this action

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Award

- Awards shall be made consistent with RFP
 - technical, cost and other factors
- HA shall post public notice of award
- HA shall notify unsuccessful offerors
 - in writing
 - reasons for non-selection
 - offer debriefing meeting

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A/E Services

- Some states require Qualifications-Based Selection
 - price is not a selection factor (when federal funds are used)
 - HA requests technical qualifications
 - HA ranks firms
 - HA negotiates price with top-ranked firm
 - HA awards contract or moves to next firm

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Evaluation of A/E Proposals

- Evidence of ability to perform the work
- Capability to provide timely service
- Evidence of adequate licenses
- Errors and omissions insurance
- Past performance
- Knowledge of local building codes
- Other factors

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Legal Services

- Litigation contracts must comply with HUD Handbook 1530.1
- Must get prior HUD approval
 - not required for less than \$25,000*
- Must consult w/HUD if additional funds will be required

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Professional Service Contracts

Contract must address required items:

- scope, compensation, contract period, option to extend, bonding and insurance, indemnification and liability insurance
- HAR requires HUD approval required for professional services contract of longer than 2 years if federal funding is used

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Non-Competitive Proposals

- Must have written justification
 - description of the item required
 - history and nature of prior purchases
 - exception applicable in 24 CFR 85.36
 - efforts to find competitive sources
 - future efforts to promote competition
 - approval above the Contracting Officer

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Cost and Price Analysis

- Required for every procurement
- Price analysis is the most common
 - evaluates bottom line
 - does not evaluate separate cost elements
 - must be used where cost analysis isn't
- Cost analysis reviews all elements of cost
 - materials, labor, indirect costs, overhead, etc

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Intergovernmental Agreements

- May be with State or Local agency
- HCDCH may "share" goods, service, cost of staff
- Agreement should be in writing and specify
 - Goods, services
 - Method, amount of payment
 - Term of agreement
 - Responsibilities of the parties

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Cooperative Purchasing

- HPHA may use contracts awarded by other agencies
- May provide substantial discounts

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CHAPTER 5



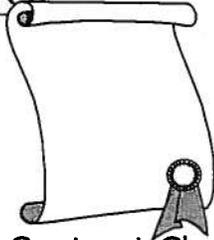
Contractor Qualifications and Duties (Reserved)

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CHAPTER 6



Types of Contract Clauses and Contracts

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Basic Contract Types

- Contracting Officer decides type of contract
- Fixed Price
 - delivery of good or service at set price
- Cost Reimbursement
 - delivery of specified units of service;
 - if job not complete, either contract is modified or the job ends

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Contract Provisions

- Must contain requirements of HAR 3 - 120-132
- Must contain required federal clauses

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Contract Administration

- Effective contract administration ensures that HA is getting money's worth
 - complexity of work determines amount of oversight
 - simple contracts may need limited monitoring
- HA should have written contract admin plan
 - spell out duties of departments and staff
 - procedures for status reports and meetings

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Contract Administration

- Maintain records of contractor performance
- Options for non-conformance to contract:
 - Reject items
 - Require correction of items
 - Conditionally accept items
 - Rejection is subject to default declaration

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Prompt Payment Required

- HPHA must pay within 30 days:
 - billing statement is proper
 - Goods/services received and satisfactory
 - Penalty for late payment (prime + 2%)
- Contractor must pay subcontractors w/in 10 days of receipt
- Final payment pending Tax Clearance

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Contract Modification

- Bilateral modification
 - Both parties mutually agree
 - Contract change signed by both parties
- Unilateral modification
 - Change order pursuant to changes clause in contract

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Change Orders

- Issued by the Contracting Officer
- Results from change in contract terms:
 - specifications
 - completion time
 - description of work (within contract scope)
- Change orders may require new pricing
- May require Board Approval

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Change Order Requirements

- A written contract modification is required
 - description of change in work
 - reference to applicable specifications
 - fixed price for the change
 - estimate of added time
 - itemized breakdown of cost
- There are limitations on change orders based on cost and scope

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CHAPTER 7 (Reserved)

Specifications

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CHAPTER 8 (Reserved)



Appeals and Remedies

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CHAPTER 9



Employment and Contracting with Resident-Owned and Small Businesses

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Section 3

- HA s should contract w/resident business
- Section 3 applies to HA and contractors
- It requires good faith effort to:
 - use firms owned by project area persons
 - provide resident training and employment

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Resident-Owned Businesses

- PHAs may use alternative procurement
 - prepare independent cost estimate
 - select appropriate procurement method
 - solicit offers - 1 or more resident businesses
 - perform price or cost analysis
 - award contract
 - document file

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Other Required Efforts

- 24 CFR 85.36 requires HA to:
 - take steps to ensure SBE participation
- Executive Order 11625 & 12432 requires:
 - provide feasible opportunity for MBEs
- Executive Order 12138
 - assist WBEs and document actions
- HA may establish goals for participation

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CHAPTER 10



Ethics in Public Contracting

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Standards

- Higher standard for HA and its contractors
- Required to maintain public confidence
- Staff must be impartial in procurement
- Staff must foster integrity of procurement
- Staff should not realize personal gain
- Staff should not employ unethical practices

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Conflict of Interest

- Employee in participation prohibited when:
 - employee or relative has financial interest
 - their business has financial interest
 - there is promise of employment

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Conflict of Interest (cont'd)

- Employee w/ knowledge of conflict must:
 - file written statement of disqualification
 - withdraw from further participation
- Employee benefiting from HA contract:
 - must report benefit to Exec. Dir.
 - failure to report is breach of ethics
- Breach is violation of Federal Statute and HAR

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Restrictions on Employees

- They shall not act as agent for anyone else on a contract in which they participated
- Shall not be employed by HA contractor or bidder
- Shall not contract with HPHA for 2 years after employment or participation

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Gratuities and Kickbacks

- Gratuities represent a breach of ethics
 - offer by contractor to staff is prohibited
 - acceptance by staff is prohibited
- Kickbacks represent breach of ethics
 - subcontractor to prime contractor
 - subcontractor to higher tier subcontractor
- Contracting Officer to report any violations

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Breach of Ethics (cont'd)

- Use of Confidential Information
 - Disclosure before bid opening is a breach
 - Using info. for personal gain is breach
- Use of contingent fees is prohibited
 - influence peddling is prohibited
 - this is very much like lobbying for pay

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Sanctions for Violations

- HA sanctions are set forth in HARs
- Executive Director to enforce sanctions
- Administrative remedies include:
 - oral and written reprimands
 - suspension
 - termination of employment
- Contractors may be suspended or disbarred

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CHAPTER 11



HUD Review Requirements

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HUD Review

- HUD has right to review any procurement
- HUD may establish review thresholds
- Some actions always trigger HUD review
 - non-compliant procurement
 - non-competitive procurement >\$100,000
 - brand-name procurement >\$100,000
 - award of big contracts to other than low bid

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Required HUD Review (cont'd)

- Procurement for litigation legal services
- Procurements over HUD-approved budgets
- HUD procurement deficiency determination
- HUD-established CGP threshold
- All HPHA procurement 25,000 and over

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HUD Corrective Action Order for HPHA

- Mandates HUD approval of:
 - All proposed contracts >\$25,000
 - Solicitation, selection and contract award
 - A/E and professional service contracts
 - Management contracts
 - Contract modifications
 - Hiring of executive management positions

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CHAPTER 12



State and Local Laws

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Common Rule

- Common rule allows HA to use own policy
 - must be consistent with federal law
 - must be consistent with state/local law
- States have their own procurement laws
 - they vary from state-to-state
 - HA must be familiar with state law
 - each HA must incorporate own state law

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Applicability of Laws

- State codes may or may not apply to HA
- Laws creating PHAs may have procurement provisions
- Local laws/ordinances may be applicable
- Some laws not applicable to federally-funded activities
- Ask HUD or Legal Counsel to clarify when in doubt

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Common Areas of State Laws

- Qualifications-based A/E selection
- \$\$\$ limitation on small purchases
- Non-competitive contracting
- Prompt payment of contractors
- Limitations on change orders

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Federal Law vs. State Law

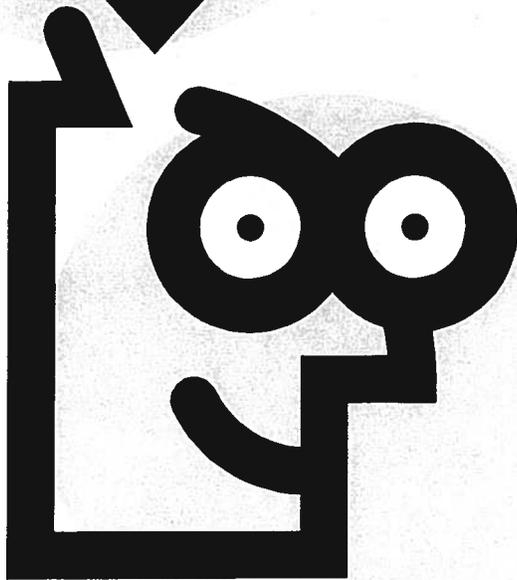
- Federal law sometimes preempts State law sometimes and State law sometimes preempts Federal law
 - More restrictive rule usually applies
- Geographic restrictions are prohibited
 - unless expressly required or encouraged
- Federal wage rates for federal \$\$\$

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REFERENCE MATERIALS



2. Definitions and Acronyms.

2.1 Definitions.

Acceptance - The act of an authorized representative of the agency acknowledging that the supplies or services are in conformity with the contract requirements.

Addendum – Written revision(s) made to a solicitation(s), i.e., Addendum No. 1.

Advertising – A form of public notice of a intended procurement, also referred to as legal notice.

Agency - means any department, authority, commission, council, board, committee, institution, legislative body, agency, or other establishment or office of the executive, legislative, or judicial branch of the State, and includes the office of Hawaiian affairs.

Amendment - Written revision made to a solicitation.

Award – Means the written notification of the State's acceptance of a bid or proposal, or the presentation of a contract to the selected offeror.

Bid - In the sealed bidding method of procurement, the offer submitted by a bidder.

Bidder's Last - List of prospective contractors. (Also called Source List or Mailing List)

Blocked Merchant Category - The card issuer (First Hawaiian Bank), at the request of the agency, blocks a particular category of merchants so that a select or all of the agency's pCards will not work at any of those establishments.

Breach of Contract – A failure without legal excuse to perform any promise that forms a whole or part of a contract.

Business - Includes a corporation, a partnership, a sole proprietorship, a trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

Card Issuer - First Hawaiian Bank with whom the State of Hawaii has contracted to issue pCards to State and County employees.

Cardholder - An employee of the State or County, approved by their Purchasing Card Administrator to use the pCard, and accountable for all charges made with that card. The cardholder should not be the same person that will reconcile the card issuer's monthly billing statements to the agency's pCard purchases.

Cardinal Changes - Modifications to an existing contract which are beyond the general scope of that contract and are so extensive that a new procurement should be used.

Change Order - Unilateral action taken by the Contracting Officer within the scope of the contract in order to modify the drawings, designs, specifications, method of shipping or packing, place of inspection, delivery, or acceptance of an existing contract.

Changed Conditions - Construction site/repair conditions which differ significantly from conditions indicated in the contract, or conditions ordinarily encountered in the performance of the type of work in the contract.

Claim - Means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract.

Compensation - Means any money, thing of value, or economic benefit conferred on or received by any person in return for services rendered or to be rendered by oneself or another.

Competitive Proposals - The competitive method of procurement used when small purchases and sealed bidding are not appropriate; under this method, the agency issues an RFP soliciting price and technical proposals from potential sources; evaluates the proposals and establishes a competitive range; negotiates with those in the competitive range; receives and evaluates best and final offers from those in the competitive range; and makes award to the contractor offering the most advantageous proposal, considering price and the technical factors stated in the RFP.

Competitive Sealed Bidding/Invitation for Bids (IFB) – Submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services. Competitive sealed bidding is the preferred method of source selection. Section 103D-302, HRS and Subchapter 5, Chapter 3-122, HAR.

Competitive Sealed Proposal or Request for Proposal (RFP) – A method of contracting for goods, service, or construction whereby proposals

are solicited from qualified suppliers, changes in proposals and prices are allowed, and the offer deemed by the awarding authority to be the most advantageous in terms of criteria as designated in the RFP is accepted. Section 103D-303, HRS and Subchapter 6, Chapter 3-122, HAR.

Competitive Range - In a competitive proposals procurement (RFP), those proposals, which, after evaluation by HCDCH, have a reasonable chance of receiving the award, both from a technical and cost standpoint.

Construction – The process of building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. The terms include the routine operations, routine repair, or routine maintenance of existing structures, buildings, or real property.

Constructive Change Order - Informal requests for additional work or services caused by some act or omission to act on the part of the agency, which causes a contractor extra work, delays, or money.

Contract – (Federal) A promise or set of promises for breach of which the law gives a remedy or performance of which the law recognizes as a duty; a legal instrument providing for the purchase, lease or barter of property or services for the direct benefit of the agency. (State) Means all types of agreements, regardless of what they may be called, for the procurement or disposal of goods, services, or for construction.

Contract Administration –The monitoring of the contractor's performance in order to assure compliance with performance requirements and contract terms.

Contract Amendment – (State) Means any written alteration of scope of services, time of delivery, payment terms, amount of payment, or other provisions of any contract accomplished by mutual action of the parties to the contract.

Contract Modification - (Federal) Any written alteration in the specifications, delivery point, date of delivery, contract period, price, quantity, or other provision of an existing contract accomplished by mutual action of the parties to the contract. (State) Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

Contracting Officer - An official authorized by the Executive Director to enter into or administer procurement contracts and make related

determinations and findings.

Contract Technical Representative – The point of contact for the Branch/Office staff in matters dealing with specific procurement and contracting matters.

Cost Analysis - Means the evaluation of cost data (separate elements) for the purpose of arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.

Cost Data - Means information concerning the actual or estimated cost of labor, material, overhead, and other cost elements which have been actually incurred or which are expected to be incurred by the contractor in performing the contract.

Cost-Reimbursement Contract - Contract in which the buyer and seller agree on an estimate of contract costs. The buyer agrees to reimburse the seller for reasonable, allowable, and allocable costs necessary to complete the work.

Cure Notice - A document the Contracting Officer sends to a contractor to notify the contractor that the contract may be terminated by reason of default if the condition endangering performance of the contract is not corrected in a specified number of days.

Default Account - The 10-digit account/appropriation code assigned to a pCard. All charges made with a pCard will be posted into the card's default account by the card issuer unless the charge is reallocated.

Designee - Means a person appointed by the head of a purchasing agency to act on its behalf with delegated authority.

Documentation – (pCard) A merchant produced or other document that records the relevant information for items purchased including quantities, description of what was purchased, individual costs, total cost, the merchant's name and address, e.g., sales slips, invoices, merchant receipts, telephone order records, transaction logs, packing slips, etc.

Emergency Purchases – A purchase made without following normal purchasing procedures in order to obtain goods, services, or construction to protect public health and safety and meet the needs resulting from a major disaster, epidemic, riot, fire, or other emergency proclaimed by the CPP, Section 103D-307, HRS and Subchapter 10, Chapter 3-122, HAR.

Exempt Purchases – Free from the procurement requirements of Chapter

103D, HRS, Section 103D-102, HRS and Section 3-120-4, HAR.

Employee - Means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices and judges.

Excusable Time Delay - Failure to perform which is beyond the control and without fault or negligence of the contractor.

Financial interest - Means an interest held by an individual, the individual's spouse, or dependent children which is:

An ownership interest in a business.

A creditor interest in an insolvent business.

An employment, or prospective employment for which negotiations have begun.

An ownership interest in real or personal property.

A loan or other debtor interest.

A directorship or officership in a business.

Firm Fixed-Price Contract - Contract which provides for a price, which is not subject to any adjustment by reason of cost experience of the contractor in the performance of the contract; the preferred type of contract.

Goods – Are all property, including but not limited to equipment, equipment leases, materials, supplies, printing insurance, and processes, including computers systems and software, excluding land or a permanent interest in land, leases of real property, and office rentals.

Health and Human Services - Means services to communities, families, or individuals which are intended to maintain or improve health or social well-being.

Indefinite-Quantity Contract - Contract used for procurements in which the exact number of deliverable items is not known at the time of contracting.

The contract provides for a minimum and maximum amount of goods/services, which may be ordered under the contract.

Independent (In-House) Cost Estimate - A written projection of calculation of all items included in the scope of the work, tabulated under appropriate cost headings (direct costs, labor, overhead, and profit).

Inspection - The examination and testing of supplies and services to

determine whether they conform to contract requirements.

Internal Controls - Safeguards which ensure that contracting will be carried out in conformity with applicable Federal regulations and Housing Authority policy.

Invitation for Bids (IFB) - Under the sealed bidding method of procurement, the written solicitation document which explains what the agency is buying and requests bids from potential contractors. (Federal) Submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services. Competitive sealed bidding is the preferred method of source selection. Section 103D-302, HRS and Subchapter 5, Chapter 3-122, HAR. (State)

Labor-Hour Contract - Contract which provides for the procurement of property or services on the basis of direct labor-hours at specified, fixed hourly rates (which include direct and indirect labor, overhead, and profit).

Letter Contract - A written authorization to begin work issued prior to the negotiation of a formal contract; only allowed in emergency situations.

Level-of-Effort Contract - Contract (usually cost-reimbursement type) which specifies the number and type of person-hours which the contractor will apply in pursuing the project.

May - Means that the action is permissive or optional and not required to obtain or retain benefits.

Merchant Category Code (MCC) - A unique code assigned to a specific group/type of merchant (i.e. 5044- Business Supply, 5734- Computer Software Stores, 5812- Food Restaurants, 5921- Retail Liquor, 5111-Stationary, Office, School Supply, etc.).

Modification - A written revision or change to the contract.

Monthly Spending Limit - A dollar limitation of purchasing authority assigned to the cardholder for the total of all charges made during each monthly billing cycle. Purchasing Card Administrators may establish spending limits on a per cardholder basis.

Multi-step competitive sealed bidding Process that requires separate submissions of a technical proposal which may be negotiated as the first step or steps of the process followed by a call for non-negotiable competitive-price bid as the final step. Section 103D- 302, HRS and Subchapter 5, Chapter 3-122, HAR.

Must - Means that the action is mandatory or required to obtain or retain benefits.

Negotiation - Discussion regarding technical and price proposals with offerors in the competitive range for a contract being awarded using the competitive proposals or noncompetitive proposals method of procurement.

Noncompetitive Proposals - The method of procurement in which the agency solicits proposal(s) from only one source or a limited number of sources, if justified in writing for one of the following reasons: the item is available only from a single source; public emergency will not allow enough time for a competitive procurement; inadequate response is received to a competitive solicitation; or HUD approves the use of non-competitive proposals.

Offer - Means bid, proposal, or quotation.

Offeror - Means any individual, partnership, firm, corporation, joint venture, or other legal entity submitting, directly or through a duly authorized representative or agent, an offer for the good, service, or construction contemplated.

Official Act or Official Action - Means a decision, recommendation, approval, disapproval, or other action, including inaction, which involves the use of discretionary authority.

Parceling - The intentional separation of transactions to evade the transaction/charge limit or monthly spending limit.

pCard Limits - A dollar limitation of purchasing authority assigned to the cardholder for charges made with the pCard. The limits can be by the single item, single transaction that may include multiple items, and transactions allowed per day or per month. Rev. 10/04

Preference an advantage in consideration for award of a contract granted to a bidder by reason of the bidder's residence, business location, origin of product offered, business classification or other reason. Chapters 103, HRS; 103D, HRS; and Chapter 3-124, HAR.

Price Analysis - Means the evaluation of price data, without analysis of the separate cost components and profit as in cost analysis, which may assist in arriving at prices to be paid and costs to be reimbursed.

Price Data - Means factual information concerning prices, including profit,

for goods, services, or construction substantially similar to those being procured. In this definition, "prices" refers to offered or proposed selling prices, historical selling prices, and current selling prices of such items. This definition refers to data relevant to both the general contractor and subcontract prices.

Professional Services - Means those services within the scope of the practice of architecture, landscape architecture, professional engineering, land surveying, real property appraisal, law, medicine, accounting, dentistry, public finance bond underwriting, public finance bond investment banking, or any other practice defined as professional by the laws of this State or the professional and scientific occupation series contained in the United States Office of Personnel Management's Qualifications Standards Handbook. (State)

Pro Value Services (PVS) Net - The internet reporting system that provides users the ability to review and report on information from transactions made on the pCard. PVS Net Administrators, or cardholders, can see the results on the Internet of all purchase activity within days after the transactions are made. PVS Net allows the user to reallocate the default account/appropriation code assigned to each pCard and to download transaction information.

Proposal - In the competitive proposals or noncompetitive proposals method of procurement, the offer submitted by a potential contractor.

Provider - Means an organization or individual contracted by a state agency to provide health or human services to the public on its behalf.

Purchasing Card (pCard) - A corporate charge card issued to an individual employee for the purpose of making authorized small purchases of goods, services, or construction on behalf of the State or County.

Purchasing Card Administrator - This individual is the central administrator for the pCard program for each purchasing jurisdiction or department (i.e., Executive Branch, Judiciary, Honolulu Board of Water Supply, DAGS, DOA, etc.). As the jurisdiction's or departments primary liaison with the card issuer, this individual is authorized to approve or certify cardholder agreements, purchasing card applications, credit card changes, and cancellations. This individual may also be the PVS Net Administrator.

PVS Net Administrator - The individual responsible for reviewing pCard transactions for proper use within their jurisdiction, department, division or agency. Some organizations may divide or delegate the work among other employees, branches, or offices. The individual is also responsible for collecting all purchasing documentation from

cardholders, reallocating any pCard transactions that should be posted in an account other than the Default Account, and reconciling the division's or agency's monthly billing statement to its pCard transactions.

PVS Net Statement - Each PVS Net Administrator will receive a PVS Net Statement each billing cycle. The cycle cutoff date is the 14th or 28th of each month. The statement identifies each transaction made with the pCard during the billing cycle, and is reconciled against purchase documentation and the monthly billing statement.

Qualifications-Based Selection (QBS) - (Federal) A form of procurement of architect-engineering services by competitive proposals in which price is neither requested in the RFP nor used as an evaluation factor; instead, technical qualifications only are reviewed and a fair and reasonable price negotiated with the best qualified firm.

Request for Information (RFI) – Means a request soliciting information to obtain recommendations from suppliers for a procurement that can not be described in sufficient detail to prepare a solicitation.

Request for Proposals (RFP) - (Federal) Under the competitive proposals method of procurement, the agency's written solicitation to prospective offerors to submit a proposal based on the terms and conditions set forth therein. Proposal evaluation and contractor selection are based on the factors for award as stated in every competitive RFP. (State) Method of contracting for goods, services or construction whereby proposals are solicited from qualified suppliers, changes in proposals and prices are allowed, and the offer deemed by the awarding authority to be the most advantageous in terms of criteria as designated in the RFP is accepted. Section 103D-303, HRS, and Subchapter 6, Chapter 3-122, HAR.

Request for Quotations (RFQ) - Under the small purchase method of procurement, a brief, written request for a price quotation from potential contractors.

Responsible Bidder - One who has the technical and financial capacity to secure the necessary resources to deliver the goods or services.

Responsive Bid - One which conforms exactly to the requirements in the Invitation for Bids (IFB).

Sanctions - Measures which may be invoked by HUD to exclude or disqualify contractors from participation in HUD programs (e.g., debarment

and suspension).

Scope of Service - (Federal) Means any description of the type of activity, including but not limited to, number served, outcomes being sought, target group, and geographic area in which the activity takes place. (State) A category of specifications generally used in the procurement of health and human services solicitations.

Sealed Bidding - The procurement method in which the agency request competitive sealed bids. This method of procurement requires that specifications be written describing the requirements of the Government clearly, accurately, and completely; a public bid opening is held; and evaluation of bids and award of the contract is based on the lowest bid submitted by a responsive and responsible contractor.

Show Cause Letter - A document the Contracting Officer sends to a defaulting contractor to notify the contractor that the contract may be terminated by reason of default unless the contractor can prove in 10 days that the condition was not his or her fault.

Small Purchases - Purchases of supplies and nonpersonal services which do not exceed the agency's dollar limitation (\$25,000 or lower amount specified in State law) in the aggregate.

Specifications - (Federal) Clear and accurate description of the technical requirements of a service or supply contract. Any description of the physical or functional characteristics, or of the nature of a good, service, or construction item. The terms include descriptions of any requirement for inspecting, testing, or preparing a good, service, or construction item for delivery. (State) Any description of the physical or functional characteristics, or of the nature of a good, service, or construction item. The term includes descriptions of any requirement for inspecting, testing, or preparing a good, service, or construction item for delivery.

State - Means the judiciary, the legislature, office of Hawaiian affairs, department of education, remaining departments of the executive branch and all governmental bodies administratively attached to them, and the counties.

State Agency - Includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices, the University of Hawaii, and all independent commissions and other establishments of the state government but excluding the courts.

Statement of Work - Written definition of work to be performed, which

establishes standards sought for the goods or services to be supplied; typically used for service contracts.

Subcontract - Means any contract, purchase order, or other purchase agreement, including modifications and change orders to the foregoing, entered into by a subcontractor to furnish supplies, materials, equipment, and services for the performance of the prime contract or a subcontract or

Subcontractor - Means any supplier, vendor, or firm that furnishes supplies, materials, equipment, or services to or for the Contractor or another subcontractor.

Suspension or debarment of bidders from a bidding process a shutting out or exclusion, through due process, for cause. Section 103D-702 HRS and Section 3-126-11 to 3-126-18, HAR.

Termination for Convenience - Termination of a contract by the Housing Authority on a unilateral basis when it no longer needs or requires the products or services, or when it is in the best interests of the Housing Authority.

Termination for Default - Termination of a contract when the contractor fails to perform or fails to make progress so as to endanger performance.

Time Delay - An interruption during which services, supplies, or work are not delivered in accordance with the performance time schedule stated in the contract.

Time-and-Materials Contract - Contract which provides for payment of supplies and services on the basis of incurred direct labor hours (at fixed rates which include direct costs, indirect costs, and profit) and materials (at cost).

Transaction Log - A document created for the convenience of recording all pCard transactions for the convenience of reconciliation and ease of auditing. Use of the Transaction Log is strongly recommended.

Vendor Protest – A complaint about a government action or decision brought by a prospective bidder, a bidder, a contractor, or other interested party to the appropriate administrative section with the intention of achieving a remedial result. Chapter 103D-70, HRS and Section 3-126-1 to 3-126-8, HAR.

2.2 Acronyms

ACC	Annual Contributions Contract (HUD)
AG	State Attorney General
APP	Annual Procurement Plan
BOS	Branch/Office Staff
CFP	Capital Fund Program
CO	Contracting Officer (HCDCH Executive Director)
CPO	Contract and Procurement Officer (HCDCH)
CTR	Contract Technical Representative (Program Staff)
DAGS	Department of Accounting and General Services
DHS	Department of Human Services
EA	Executive Assistant
ED	Executive Director
FMO	Fiscal Management Office
HA	Housing Authority
HCDCH	Housing and Community Development Corporation of Hawaii
HAR	Hawaii Administrative Rules
HRS	Hawaii Revised Statutes
HHS	Health and Human Services (Chapter 103F)
HUD	U.S. Department of Housing and Urban Development
IFB	Invitation for Bids
MU	Management Unit(s)
PHA	Public Housing Authority
PMIS	Procurement Management Information System
PNS	Procurement Notices System
PO	Procurement Office
POs	Purchase Order (State Accounting Form C-03 (HCDCH))
PVS	Pro Value Services

HCDCH PROCUREMENT MANUAL

QBS	Qualification-Based Selection
RFI	Request for Information
RFP	Request for Proposals
SOH	State of Hawaii
SOS	Scope of Services (Chapter 103F)
SOW	Statement of Work
SP	Small Purchase(s)
SPO	State Procurement Office

**Basic Steps in the Procurement Process:
For Formal Contracts (Procurement Above The Small Purchase Limitation)**

PRE-AWARD:

1. Determine requirements, prepare advance procurement
2. Prepare specifications/statement of work/independent cost estimate.
3. Prepare procurement request and obtain
4. If below small purchase limit, make purchase via petty cash, BPA, or purchase order.
5. If above small purchase limit, determine method of procurement and develop individual procurement plan.
6. Request wage rates from HUD Labor Relations staff, if necessary.
7. Publicize upcoming procurement.
8. Prepare evaluation plan (for competitive proposals).
9. Issue solicitation.
10. Hold pre-bid/proposal conference, if needed.
11. Bids or proposals received.

For sealed bidding continue with the following steps:

12. Conduct bid opening.
13. Review bids for responsiveness responsibility (including pre-award survey, if needed).
14. Award contract, notify unsuccessful bidders.

For competitive proposals continue from step 12 with the following steps:

12. Conduct technical and price/cost evaluations.
13. Establish competitive range and negotiation objectives, and notify those not in competitive range (or make determination to award based on initial proposals).
14. Conduct negotiations with those in competitive range.
15. Request and receive best and final offers.
16. Evaluate best and final offers.
17. Determine contractor responsibility (including pre-award survey, if needed).
18. Award contract, notify unsuccessful offerors.

For noncompetitive proposals, continue from step 12 with the following steps:

12. Analyze technical proposal if any.
13. Conduct cost analysis of cost breakdown, including audit, if necessary.
14. Establish negotiation objectives.
15. Conduct negotiations.
16. Receive and evaluate revised proposal.
17. Award contract

POST-AWARD:

1. Hold post-award conference
2. Issue notice to proceed, if applicable
3. Monitor contractor performance
4. Receipt of supplies, services, or construction
5. Inspection of supplies, services, or construction
6. Acceptance of supplies, séances, or construction
7. Payment for work accepted
8. Exercise any applicable options for additional quantity or time period
9. Contract completion
10. Contract closeout