

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2016

Program ID/Title: AGS-223/Office Leasing
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I. Goal

Improve the office leasing services provided to user departments.

II. Objectives and Policies

- A. #1 - Reduce the average number of days to complete lease requests to ninety (90) working days.
- B. #2 - Improve various areas of the Leasing Branch's operations.

III. Action Plan with Timetable

- A. Objective/Policy #1 - Reduce the average number of days to complete lease requests to ninety (90) working days.

1. Past Year's Accomplishments:

- a. Review of Office Space Requests – the Leasing Services Branch continued to work with the Public Works Division (PWD), Planning Branch to change the work flow processing of departments' requests for leased office space. The initial review of the departments' space request to determine the amount of office space authorized to be leased, is being performed by Planning Branch. The purpose of this procedure is to centralize PWD's office space inventory statewide, for both lease space as well as space in state office buildings. This will help to expedite Leasing Branch's lease review process.
- b. New Computer Software – Our branch computers were upgraded to Microsoft Office 365. As a result, our Lotus Notes e-mail program was replaced by Microsoft Outlook, and our Word and Excel software upgraded. These changes will aid in our communication and compatibility within DAGS and with other state departments.

- c. Restoration of Leasing Specialist Position – A budget request was submitted to create a U-Funded Leasing Specialist position, to replace the position which was abolished due to the 2009 reduction in force (RIF) action. The impact of the RIF resulted in the termination of the incumbent and a continuing backlog of lease renewals. However, the budget request was not approved for inclusion in our FY 2016 budget.
- d. Educational and Networking Opportunities – our Leasing Specialists and I attended an annual presentation organized by various real estate and tourism related organizations on forecasting various sectors of the real estate market, including commercial real estate. We also attended a seminar to learn about the various types of ownership (business) entities to become more familiar on how our landlords should prepare their Hawaii Compliance Express (HCE) applications. These presentations provided valuable staff training, as well as opportunities for networking with industry professionals, including property managers and landlords' broker representatives.
- e. Support for Leasing Specialist – due to the backlog of office lease renewals, lease requests were re-assigned between Leasing Specialists to balance their work load. I also prepared Offers to Lease and final lease documents for several lease renewals, and negotiated terms and conditions with the Office of Hawaiian Affairs (OHA) for the extension of the AAFES building lease.

2. Required Actions

- a. Pursue additional training for staff in Microsoft Word and Excel for Office 365. This will increase our familiarity and features of the new software and the Office 365 operating system.
- b. Continue to pursue the restoration of the Leasing Specialist position, and prepare for the anticipated retirement of one Leasing Specialist in FY 2016.
- c. Have Americans with Disabilities Act (ADA) site surveys completed for a majority of commercial properties which are, or can be considered for lease. Update/improve the ADA site survey checklist to make it more user friendly. Also, make any necessary revision to the minimum ADA guidelines for leasing office space.
- d. Initiate improvements to our branch policies and procedures that are consistent with the policies of DAGS Fiscal Office and Pre-Audit Branch, and the Attorney General/Land and Transportation Division, to seek procedural improvements or develop new documents which

can help expedite the leasing process.

- e. Coordinate with the PWD, Planning Branch to pursue lease consolidations into Alii Place (if acquisition approved by the Legislature) or other state office buildings to create operational efficiencies for user agencies and to reduce our lease inventory and related leasing costs.

3. Implementation Timetable

- a. One Year – Pursue any needed revisions/updates to our branch policies and procedures, and seek improvements or develop new documents to improve and stream line the leasing process.

Enroll staff in additional computer software and Office 365 training through the State Department of Human Resources Development (DHRD).

- b. Two Years – Complete any necessary revisions to the minimum ADA guidelines for leasing office space, and distribute the same to all branches of State government for implementation. Update the ADA site assessment checklist to make it easier to use by departments' ADA coordinators.

Coordinate with PWD, Planning Branch to pursue office consolidations into Alii Place.

Pursue approval for the restoration of the Leasing Specialist position.

- c. Five Years (or less)

Using the ADA site surveys, develop a state wide list of commercial office properties which meet the State's minimum ADA requirements.

Upon their renewal, structure the terms of appropriate office leases for eventual consolidation into the planned Liliha Civic Center state office building around the year 2021.

B. Objective/Policy #2 - Improve on various areas of the Leasing Branch's operations.

1. Past Year's Accomplishments

- a. Data Base System – continued the preparation and updating of branch policies and procedures, and the Leasing Information form PWD 500 to assist the DAGS, Systems and Procedures Office (S&PO) in

developing a web based program to replace our branch's Access data base system.

- b. Revision of Office Space Standards, Forms & Instructions – through collaboration with the PWD, Planning Branch, we finalized the division's Office Space Standards, Instructions, and Space Need Computation worksheets (Form 501) for all departments to use when requesting office space. We continue to work together to share communications between the Planning Branch and the requesting department in the space computation review process. This has helped us in understanding the departments' operational needs and identifying appropriate lease locations and office layout design requirements.
- c. Hawaii Compliance Express (HCE) Tax Clearance – Very often, the process for Landlords to obtain a tax clearance has been very time consuming, especially when there are varying forms of ownership involved. We worked with the State Procurement Office (SPO) to obtain an exemption that allows the tax certification to be performed on the landlord's tax paying entity and not the property owner whom we contract with. This will save a lot of time and reduce confusion for owners and the Leasing Services Branch in the future.

2. Required Actions

- a. Continue collaboration with the PWD, Planning Branch to finalize the standardized office space request memo, the boilerplate response memo, and revisions to the PWD's policy and procedures manual, which are currently in draft.
- b. After the standardized office space request memo is finalized, update the Public Works website to include this form to allow all departments' use of the memo.
- c. Continue working with DAGS Systems and Procedures Office (S&PO) to develop a new web based, data base system to replace the current Access system. The data base system must be able to prepare a lease abstracts, project rent and operating cost for budget purposes, and project quarterly funding allotments, so that necessary funds will be available for encumbering lease contracts.
- d. Update branch policies and procedures and the boilerplate lease whenever situations arise which impact current conditions, so that improvements are on-going.
- e. Coordinate with PWD Planning Branch to consider revising the DAGS Office Space Standards to reduce the authorized space for all

employee SR levels, and encourage the open office space design concept, wherever applicable.

3. Implementation Timetable

- a. One Year – Continue updating branch policies and procedures and work with DAGS, S&PO on the web based, data base system to replace the current Access system.

Finalize the standardized office space request memo PWD response memo, and complete needed revisions to the PWD policy and procedures manual. Update the Office Space Forms panel of the PWD website with these revised memos and updated lease forms to include the “Suggested Office Move Planning Guide”, and “ADA Site Assessment & Building Worksheets for ADA Compliance”.

- b. Two Years – Transition from the Access data base system to the new web based program, subject to completion by DAGS, S&PO.
- c. Five Years (or less) – Coordinate with PWD Planning Branch to revise the DAGS Office Space Standards to reduce square footage authorization for all state employees, and implement the open space design concept wherever applicable.

IV. Performance Measures

A. Customer Satisfaction Measure

1. Pursue evaluations from user departments concerning improvements to our leasing forms and instructions, the effectiveness of our website, and how it has helped in preparing and/or submitting leasing forms/requests more easily and efficiently.
2. Obtain evaluations of our branch’s leasing services after we are successful at restoring the Leasing Specialist position. Areas identified by user departments which require attention, will be addressed immediately.

B. Program Standard Measure

1. Seek measures of comparison with other States, and applicable branches of State, County or Federal governments who perform office leasing services.
2. Evaluate the program’s efficiency in reducing the average amount of time needed to complete new lease requests, relative to program staffing.

C. Cost Effectiveness Measure

1. Compare the actual cost per square foot for our leases in specific locations, with the published asking rates for lease space in similar areas.
2. Determine the extent of lease savings created from any revisions to the
3. DAGS Office Space Standards.