

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

January 2013

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 new lease requests for office space, to one hundred twenty (120) 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 new lease requests, to one hundred twenty (120) working days.

1. Past Year's Accomplishments:

- a. Hawaii Compliance Express (HCE) – pursued an opinion from the Attorney General's Office to determine the requirements of Act 190 as it applies to our program. Established policies and procedures, including revisions to our lease, which require lessors to utilize the Hawaii Compliance Express services in the early stages of lease negotiations.
- b. New Lease Amendment form – worked with the Attorney General's Office to develop a new boilerplate lease amendment form to be used for ownership and name changes.
- c. IRS Form W-9 for payees – developed policies and procedures for securing W-9 information for our fiscal office, when making payee changes for rental payments. This will prevent delays in negotiations and in processing leases for set-up and payment.

- d. Website for Identifying Prospective Properties – researched and located a website for identifying lease properties by tax map key or address, and details of the property such as land and building values, ownership, zoning, flood designations, etc. This will aid in identifying appropriate locations to begin lease negotiations.
- e. Computer Memory – pursued approvals and acquired additional memory for all branch desktop computers to cure glitches and delays caused by inadequate memory, and to improve our operational efficiency.
- f. Educational and Networking Opportunities – enrolled our Leasing Specialists to attend a presentation on forecasting the commercial real estate market and the office leasing market. The presentations also touched upon the local economy, and provided training and opportunities for networking with industry professionals. These relationships will be beneficial in our negotiations with landlords and their broker representatives.

2. Required Actions

- a. Budget for computer and software replacements to maximize staff's ability to prepare lease documents more efficiently and transfer them electronically, to accept updated software from external sources, to maintain division software standards, and effectively maintain our office lease data base.
- b. Pursue the restoration of the Leasing Specialist position. The position was abolished due to the 2009 reduction in force (RIF) action, which resulted in the termination of the incumbent.
- c. Have Americans with Disabilities Act (ADA) site surveys completed for a majority of commercial properties which are, or can be considered for lease.
- d. Initiate any revisions to our branch policies (including ADA) and procedures and seek improvements, or develop new documents which can help expedite the leasing process.
- e. Continue pursuing lease consolidations within existing lease space, into state office buildings in order to reduce leasing costs and the number of leases in our inventory.
- f. Coordinate with Public Works Division, Planning Branch (PWD/PB) in the acquisition of any private office building to remedy the need for

additional state owned space. This will reduce our lease inventory and effectively reduce the completion time of lease requests from state departments.

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 streamline the leasing process.

Acquire new computer and software equipment for staff, subject to funding and applicable administrative and departmental policies.

Continue our pursuit of office space consolidations within existing lease space, and into state office buildings.

- b. Two Years – Complete any necessary revisions to the minimum ADA guidelines for leasing office space and all commercial properties, and distribute the same to all branches of State government for implementation.

Coordinate with PWD/PB, the legislature and other state agencies in the acquisition of any privately owned office building.

- c. Five Years (or less) - Request for the restoration of the Leasing Specialist position based upon general fund savings generated by the position.

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

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

1. Past Year's Accomplishments

- a. Data Base System – continued preparing and updating branch policies and procedures to assist the DAGS, Systems and Procedures Office (S&PO) in developing a web based program to replace our current Access data base system.

- b. State's Office Space Master Planning – collaborated with the PWD/PB, to update the division's Office Space Standards, instructions, and space need computation worksheets. Also, planned for changes on how user departments complete their space requests, in order to secure

information needed to prepare the office space master plan.

- c. Final Payments to Lessors – pursued and received clarification from the State Procurement Office on the maximum dollar amounts for last and final payments, that do not require tax clearance certification.
- d. Lease Payments by Departments – developed a procedure to collect breakdown of monthly lease rental costs from various departments who make lease payments directly to landlords. The purpose was to update our data base to reflect actual lease costs to include in our branch reports, and program budget.
- e. Public Works/Leasing Services Branch Website – improved access to the Leasing Branch website by working with the division’s specialist to modify the Public Works webpage. This will assist user departments who require leasing services, to access our office space guidelines, instructions and forms more readily.
- f. Lease Encumbrances – documented a policy with DAGS, Pre-Audit Branch to permit the encumbrance of month-to-month leases through the end of the fiscal year. This will help to minimize the number of encumbrances that various offices in DAGS will need to process.
- g. Attendance In & Out Board – Created a branch attendance board to keep track of staff vacations, business trips, off-site meetings, etc. This is a good management tool, and is helpful in preventing vacation overlaps, especially in light of vacation time and STOWOP hours (state time-off without pay) that staff will be taking throughout the year.

2. Required Actions

- a. Continue making any necessary updates to all leasing information forms, instructions and standards which are used by other state departments. Update the Leasing Branch’s website with any additions or changes, to include a sample Director’s lease request memo, and updates to the office space standards and instructions for completing space computation forms.
- b. Collaborate with the PWD/PB to make any necessary updates to the “Office Space Standards for Lease and State Buildings”.
- 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

lease abstracts, project rent and operating cost for budget purposes, project quarterly funding allotments so that necessary funds will be available for encumbering lease contracts, and provide lease data elements for PWD, Planning Branch's future data base system.

- d. Continue succession planning (i.e. cross training) for Program Manager and volunteer staff (from another Public Works Division) on C-41 contract encumbrances, lease payments, purchase orders and P-Card purchasing.
- e. When the draft Administrative Rules are completed, work with the Department of Labor to participate in public hearings for Act 62, SLH 2007 (Payment of Prevailing Wages and Public Work Projects) and assist in finalizing Administrative Rules that impact all state and county agencies who engage in the leasing of office space from the private sector.

3. Implementation Timetable

- a. One Year – Continue to work with DAGS, S&PO on the development of the web based, data base system to replace the current Access system.

Make necessary updates to all leasing information forms, instructions and office space standards, which are used by other state departments. Update the Leasing Branch's website with any additions and revisions.

Continue collaboration with PWD/PB on policies and procedures for reviewing and processing authorizations on lease requests, in conjunction with the State office space master plan. This will provide needed data elements for their future data base management program.

- b. Two Years – Transition from our Access data base system to the new web based program, subject to completion by DAGS, S&PO.

Complete one phase of the succession planning for the Program Manager and volunteer staff (from the Public Works Division) on C-41 contract encumbrances, lease payments, purchase orders, and P-card processing.

- c. Five Years (or less) – When the draft Administrative Rules are completed, work with the DLIR to participate in any public hearings for Act 62, SLH2007 (Payment of Prevailing Wages and Public Work Projects) and assist in finalizing Administrative Rules.

IV. Performance Measures

A. Customer Satisfaction Measure

1. Pursue evaluations from user departments concerning improvements to our computerized leasing forms and guidelines, their accessibility from the 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 re-storing 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 "State Office Space Standards for Lease and State Buildings".