

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

January 2022

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 one hundred fifty (150) working days.
- B. #2 - Improve various areas of the Leasing Branch's operations.

III. Action Plan with Timetable

Objective/Policy #1 - Reduce the average number of days to complete lease requests to one hundred fifty (150) working days.

- Past Year's Accomplishments:
 - Reduced the average number of days from 270 to 245, with third-quarter loss of 75 percent of the program's staff due to retirements and a resignation.
 - Discussion with PB, creation of a Real Property Branch to consolidate the functions of the Leasing Services Branch with the associated space authorization and assignment functions now performed by PWD Planning Branch, in order to achieve greater efficiency in both leasing and planning functionality.
 - Tracking of Lease Requests – Continued to utilize the lease tracking system to track the status of user requests for new leases, leases pending renegotiations, as well as tracking of incoming and outgoing branch correspondence. Additionally, used this tracking system to retrieve data to determine the number of lease requests completed, and the number of days to complete leases. The report continues to be a management tool to account for each lease request and track its progress.

- One Year
 - Develop procedures to advise landlords that need to apply for and secure HCE compliance before leases are executed, renewed, terminated, or sold, to prevent delays in document and payment processing.
 - Initiate improvements to the program's policies and procedures to improve the speed and timeliness of lease processing and ensure consistency with the policies of DAGS Fiscal Office, Pre-Audit Branch, and the Attorney General/Land and Transportation Division, as procedural improvements are instituted.
 - Continue to work with the Attorney General's office to develop a policy to determine which division of the Attorney General's office will perform lease reviews for office space in DAGS controlled state facilities, leased to private and non-profit tenants.
- Two Years
 - Coordinate with PWD Planning Branch to pursue office relocations from lease space to available space at multiple leased locations and within DAGS controlled office buildings that become available for occupancy.
 - All new requests for space in private sector state office buildings will be distributed to branch resources in a manner optimizing internal communication, efficiencies, using new forms developed in collaboration with PWD, PB and LB.
 - Have Americans with Disabilities Act (ADA) site surveys completed for commercial properties which may be considered for lease.
- Five Years
 - Develop a state-wide list of commercial office properties which meet the State's minimum ADA requirements.
 - Pursue restoration of the Leasing Specialist position which was abolished in 2009 due to the Reduction in Force (RIF) action.
 - Provide input and coordinate with the Office of the Attorney General, Administration Division, in working out a policy to address

which division of the Attorney General's office, provides services to review leases to private entities and non-profit organizations, for DAGS controlled state facilities.

- Seek new and creative ways to encourage landlords to begin the Hawaii Compliance Express (HCE) process sooner in order to obtain their tax clearance compliance from the State and Federal tax offices.

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

- Past Year's Accomplishments
 - Implemented a recently-developed exhibit to executed leases to secure approval from the Attorney General's office, in advance of any delays to the early occupancy date, which occasionally results from the landlord's delay in providing access to the leased space. This is because construction of improvements by the landlord may take longer than expected, which delays access to the space, and pushes back the lease start date and any rent step-up dates. The new exhibit eliminates the requirement for staff to quickly prepare and execute a formal amendment to the lease when access is delayed.
 - Continued to work with the branch secretary to update branch policies and procedures, and the Leasing Information form PWD 500 to improve the branch's Access data base program.
 - Pursues and collects delinquent asbestos inspection /surveys reports from landlords that were supposed to be completed and attached to our leases as an Exhibit C.
 - Educational and Networking Opportunities – Our staff 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. These presentations provided valuable staff training, as well as opportunities for networking with industry professionals, including property managers and landlords' broker representatives.
 - Upgraded Office Equipment – In response to pandemic-related conditions, equipped all authorized staff to enable teleworking, and instituted related policies and practices.

- One Year
 - Revise branch policies and procedures as necessary, to keep branch operations current. Update the branch's policies and procedures with respect to the leasing process, data collection/input, and the lease encumbrance and payment process. Continue working with DAGS Systems and Procedures Office (S&PO) to assist with any necessary updates to the program's Access data base program. The updated policies and procedures will also serve as training material for new staff.
 - Due to COVID-19, assist the various State agencies who are downsizing their staff and/or the termination of their programs, requiring smaller leased spaces or need to early termination of leases. In addition, there are unbudgeted building operating expenses, or common area maintenance (CAM) expenses being charged by Landlords/Property Management Companies for increased labor and supplies needed to disinfect the interior and common areas of the buildings. We are working closely with the State agencies and the Landlords/Property Management Companies to resolve issues relating to COVID-19, which includes but not limited to negotiation for smaller spaces, early termination of leases and monetary penalties for early termination of leases. There also may be a need to research and locate new spaces for the State agencies, depending on their situations.
 - Conduct the second phase for pursuing delinquent asbestos inspection/survey reports for month-to-month leases.
 - Crosstrain an employee (from Public Works Division) on C-41 contract encumbrances, lease payments, purchase orders, and P-Card processing.
 - Recruit for and fill all vacant authorized positions.
 - Crosstrain an employee (from Public Works Division) on C-41 contract encumbrances, lease payments, purchase orders and P-Card purchasing.
- Two Years
 - Complete the documentation of all branch policies and procedures with respect to the leasing process, data collection, and the lease encumbrance and payment process.

- Collaboration with DAGS-PWD, Planning Branch to create a dual purpose departmental request form letter to be used by Planning Branch and Leasing Branch. The form will be prepared for submittal by the department directors to the Comptroller via the PWD website, detailing program needs and action to be taken by Planning Branch/Leasing Branch.
- Continue to coordinate with the PWD Planning Branch to pursue lease consolidations into any available state buildings to create operational efficiencies for user agencies, and to reduce our lease inventory and related leasing costs.
- Five Years
 - Continue to minimize office storage requirements by eliminating or reducing unnecessary architectural plans & specifications for our various lease locations.

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 become fully staffed and able to discharge branch functions. 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 DAGS Office Space Standards.