

**Notice to Consultants**  
**Request for Professional Services Qualifications**

The City and County of Honolulu plans to contract for professional services from a single provider for all, and not less than all, in the areas of economic and financial modeling, planning and analysis to identify and evaluate potential private funding sources, create a methodology for valuing the economic impact of private development adjacent to the transit stations and to develop a cash management plan for the Transit Funds. The firm and any of its subcontractors selected will be precluded from serving as an investment manager for any monies in the Transit Fund.

Beginning in August 2005, an Alternative Analysis for the Honolulu High-Capacity Transit Corridor Project was conducted. This analysis provided City Council with the information necessary to select a mode and general alignment for high-capacity transit service on Oahu. Then on December 22, 2006, the Honolulu City Council enacted Ordinance No. 07-001 which selected the fixed-guideway alternative from Kapolei to the University of Hawaii at Manoa and Waikiki as the Locally Preferred Alternative (LPA) for the project.

The LPA selection was made recognizing the currently-identified revenue sources including revenues from the 0.5 percent General Excise Tax (GET) surcharge in place from January 1, 2007 through December 31, 2022, and a reasonable expectation of FTA New Starts funds, would not be sufficient to fund the capital cost of the LPA. On February 27, 2007, the Honolulu City Council selected as the MOS, East Kapolei to Ala Moana Center, via Salt Lake Boulevard (Resolution 07-39, FD1(c)) as the first segment to be completed. Upon completion of the first segment, the City anticipates moving forward to achieve the complete build out of the LPA.

To that end, the City Council at the request of the Department of Budget and Fiscal Services approved funding under Ordinance No. 07-24 perform three (3) studies: 1) Economic value of private development adjacent to transit stations; 2) Identification and evaluation of private funding sources; and 3) Development of a cash management plan for the Transit Fund. We have added a fourth element, Real Property Information Update. Accordingly, the following work is to be undertaken to address financial requirements identified in the Alternatives Analysis within a six-month time frame.

- Create methodologies and apply them to at least three (3) Transit Oriented Development (TOD) types of sites: “greenfields”, suburban commercial center, downtown commercial center, or other typical TOD type to determine the increased economic value of private development adjacent to the transit stations. With the completion of the Honolulu High-Capacity Transit Corridor, the land surrounding many of the transit stations is expected to change in character, use and density. This change could result in increased financial, physical and social benefits to the City. A methodology needs to be formulated to enable the City to establish the economic value of those land use changes and allow the City to

evaluate, plan, negotiate and capture some of those economic benefits. The recommended methodologies should reflect knowledge of current local development controls (zoning), challenges to land development (e.g. current and planned infrastructure capacities), and local and external financing opportunities. Of primary interest is land within a quarter mile of a transit station, but methodologies and value estimates for land within a half mile should also be addressed.

Additionally, the City is seeking financial and regulatory strategy suggestions to maximize public benefits within the proposed development areas. Suggested development strategies should address both short (before transit is running) and long term timeframe.

- Collect floor specific use data for all buildings within half a mile of the transit alignment. Data will be used to assist in the assessment and taxation of residential, non-residential and mixed-use buildings and improvements. The project will include collection and verification of existing assessment data on improvement records at the Real Property Assessment Division with emphasis on use code related to individual uses.
- Identify and evaluate potential private funding sources. The transit project, for the first segment is fully funded from the General Excise Tax (GET) surcharge and the FTA New Starts monies. Private funding could supplement those revenues to allow the City to additional enhancements and alignment extensions to the project. Further to support the LPA, it is the desire of the City to create and encourage private-public partnerships for transportation. Preliminary work has been conducted on behalf of the City, but a fuller understanding of potential private-public partnerships, concessions, and other innovative financing arrangements need to be explored, evaluated and potentially recommended for this corridor project.
- Develop a cash management plan for the Transit Fund. The City expects approximately \$150 million annually from the GET surcharge revenue. A cash management plan that incorporates the cash demands of the Honolulu High-Capacity Transit Corridor Project's construction and eventual operation will ensure the City of maximizing its financial resources while maintaining the appropriate levels of liquidity for the project. This plan will:
  - Recommend strategies, asset allocation models and investment instruments within the City's investment policy that mitigate risk, optimize yield, and improve liquidity.
  - Determine whether the monies in the Transit Fund would perform better as part of the City's pooled cash or managed by a professional money manager.
  - Provide the services, the qualifications, and the fee structure the City should seek if it decides to engage a professional money manager.

## **SUBMITTAL MATERIAL REQUESTED**

1. Letter of interest outlining the firms understanding of the analyses required, and proposed scope and timeline, which should be dated and signed by an authorized representative of the firm.
2. Information on the firm and subcontractors, if any:
  - a. Name of the firm, the principal place of business, and location of offices;
  - b. Age of firm and its average number of employees over the past five years;
  - c. The education, training, and qualifications of key members of the firm;
  - d. A narrative of past experiences and qualifications of the firm;
  - e. Designation of the individual(s) who will be working on the day-to-day activities with the City. Provide current resumes of these individuals, identifying particular experience and/or skills and the number of years that would be applicable to the services being sought.
  - f. The names and phone numbers of five clients who may be contacted, including at least two for whom services were rendered during the preceding and current year, preferably for projects similar to the work described above.
  - g. The annual total revenue of the firm over each of the past five years;
  - h. Any other pertinent information that should be considered in the evaluation of the firm's qualifications. (This should be limited to no more than five pages.) Please include:
    1. Whether registered as an SEC Registered Investment Advisory firm;
    2. Whether designated as bank, financial institution or securities broker/dealer
  - i. Disclosure of any conflict of interest in providing services for the City.

All materials submitted which have not been clearly designated as proprietary, shall become the property of the City and subject to public inspection and may be returned only at the City's discretion.

## **SUBCONTRACTORS**

The City reserves the right to approve all subcontractors and shall require the primary contractor to replace any subcontractors found to be unacceptable. The primary contractor will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract, and shall be responsible for all services whether or not the primary contractor performs them.

## **INDEMNIFICATION**

Neither the transmission of this Request for Professional Services to a prospective Offeror nor receipt of a proposal shall imply any obligation on the part of the City. There will be no obligation to pay for any proposal preparation work, or obligation to enter into a contract or agreement.

No Prospective Offeror shall seek to hold the City or the State, nor any officer, agent, or employee thereof personally liable for any matters relating to this Request for Professional Services or any actions or omissions under any terms or conditions of this Request for Professional Services or any statements made herein.

## SELECTION

The City will evaluate submittals according to the criteria identified below. These criteria are listed with the most important criteria first and other criteria in descending order of importance. Contract negotiations will be conducted pursuant to Hawaii Revised Statutes Section 103D-304(h).

### Evaluation Criteria in Descending Order of Importance

1. Experience and professional qualifications relevant to the project.
2. Past performance on projects of similar scope, including corrective actions and other responses to notices of deficiencies.
3. Capacity to accomplish the work in the required time.

## DEADLINE

1. An original and eight (8) copies of the SUBMITTAL MATERIALS packet shall be submitted no later than Thursday March 20, 2008, 4:00 pm Hawaii Standard Time, to:

Ms. Vicki Kitajima, Procurement and Specifications Specialist  
City and County of Honolulu  
Department of Budget and Fiscal Services  
Division of Purchasing  
530 South King Street, Room 115  
Honolulu, Hawaii 96813

2. No facsimiles will be considered. Ideally, the contract for the project will be awarded to a firm that demonstrates the ability to provide all of the services required for the project. No SUBMITTAL MATERIALS submitted for just part of this project will be considered.

Any inquiry regarding the services required shall be directed in writing to Ms. Vicki Kitajima at the above address or via e-mail to [vkitajima@honolulu.gov](mailto:vkitajima@honolulu.gov).



*MW* MARY PATRICA WATERHOUSE, DIRECTOR  
Department of Budget and Fiscal Services  
By order of MUFU HANNEMANN, MAYOR   
City and County of Honolulu