

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

July 6, 2001

**Committee**  
**Report No.** 01-111

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on June 12, 2001, makes reference to the following:

1. Contract No. C1168, between Bayless Architects and the County of Maui, relating to providing architectural services for the Wailea Fire Station; and
2. Contract No. C1168-1, between Bayless Architects and the County of Maui, relating to providing additional architectural services for the Wailea Fire Station.

Your Committee notes that the foregoing contracts were referred to the prior Council's Governmental Relations and Finance Committee at the Council meetings of February 19, 1999 and September 3, 1999, respectively.

At its meeting of August 2, 1999, the Committee met with the Director of Finance, the Treasurer from the Department of Finance, the Fire Chief, the Budget Director and two Deputy Corporation Counsel.

The Fire Chief advised the Committee that he was uncertain as to the timeline regarding the request for proposal (RFP) as he was appointed to the position of Fire Chief subsequent to the awarding of the contract. He confirmed that no monies had been expended to date and would not be until they were able to determine the following: (1) the specific location of the proposed site; (2) the specific date the property will be conveyed to the County; and (3) the specific plans and design of the proposed facility.

The Deputy Corporation Counsel opined that the architect could initiate work on the project prior to the County obtaining title to the property.

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The Committee questioned the reason that certain pieces of information were not included in the RFP. These include the location of the site, the number of acres involved, the topography of the area and the types of utilities that are currently available. The Committee also questioned how prospective bidders could submit proposals without knowing the size of the proposed facility, the number of employees that would be on site per shift, and the number and sizes of vehicles that would ultimately be housed at the facility.

By memorandum dated August 4, 1999, the Committee requested that the Corporation Counsel provide a written opinion outlining the specific authority that the Director of Finance possesses, subsequent to the execution of a contract, in conjunction with the RFP process.

By letter dated August 4, 1999, the Committee requested that the Director of Finance transmit a copy of the RFP that was utilized for the project.

By letter dated August 9, 1999, the Committee advised the Mayor of the proceedings of the August 2, 1999 meeting and requested his comments on the matter.

By letter dated August 10, 1999, the Director of Finance transmitted a copy of the RFP that was utilized in conjunction with the project.

By letter dated August 13, 1999, the Budget Director advised the Committee that although the details provided in the RFP were limited, prospective bidders were allowed to direct technical questions to the former Fire Chief, Ronald Davis.

By memorandum dated August 27, 1999, the Department of the Corporation Counsel advised the Committee as to the authority of the Director of Finance in the RFP process. He informed the Committee that the Director of Finance is (1) empowered to execute all written contracts for the purchase of materials, supplies, equipment, personal services, and public works; (2) charged with the duty and function of the contracting of services of independent contractors, including contractors for public works, and to disburse moneys pursuant to policies established by the council; and (3) the chief procurement officer of the executive branch. In addition, the Director of Finance may modify

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or waive contract terms pursuant to written contract amendments executed by the parties as well as terminate the contract in part or whole when the consultant is in material breach of contract.

At its meeting of August 30, 1999, the Committee met with the Director and the Deputy Director of Finance, the Fire Chief, the Budget Director and a Deputy Corporation Counsel.

The Fire Chief advised the Committee of the following: (1) that the County was still awaiting the conveyance of the property; (2) that there would be two shifts consisting of five employees each; (3) that he anticipated having two vehicles that would need to be housed at the facility; and (4) that the County has not commenced work on the design of the facility.

The Budget Director added that the Department of Police and the Department of Parks and Recreation were also involved in the project. She explained that each department had contributed \$10,000 apiece toward the development of a master design. She clarified that the aforementioned departments did not have a sufficient amount of funds to pay for the design phase of the project. The Budget Director also informed the Committee that the cost of construction is estimated at \$4 million, that the cost to procure two fire trucks is estimated at \$1.2 million and that the monies utilized for the design phase was appropriated approximately two years ago.

The Committee also received a copy of a document entitled "First Amendment to Contract No. C1168".

By memorandum dated August 31, 1999, the Committee requested that the Corporation Counsel provide an opinion clarifying the maximum percentage of cost overruns, relative to the original bid amount, that the Administration is allowed to incur without Council approval.

By letter dated August 31, 1999, the Committee requested that the Budget Director provide the Committee with the status of the project, the long-range plan for the subject parcel along with the corresponding timeline, and map of the parcel in question.

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By memorandum dated August 31, 1999, your Committee was provided with a brief "history" of the Wailea Fire Station when it was considered in connection with the 1997 Kihei-Makena Community Plan.

By memorandum dated October 29, 1999, the Council Chair transmitted a letter dated October 20, 1999, from the Chair of the Government Committee, Maui Meadows Neighborhood Association, noting support for the proposed fire station project.

At its meeting of November 15, 2000, the Committee discussed the disposition of all items on its agenda.

The Committee recommended that Contract Nos. C1168 and C1168-1 be referred to the Council Chair for the term beginning January 2, 2001, for a recommendation as to referral or other disposition.

At its meeting of January 12, 2001, the Council referred Contract Nos. C1168 and C1168-1 to your Budget and Finance Committee (County Communication 01-19).

At its meeting of June 12, 2001, your Committee met with the Director of Finance, the Budget Director, and a Deputy Corporation Counsel.

Your Committee Chair presented a brief overview of the history of the contracts and the concerns raised by the prior Council's Governmental Relations and Finance Committee.

The Director of Finance informed your Committee that Bayless Architects was unable to complete the work, and therefore Contract Nos. C1168 and C1168-1 were in the process of being cancelled. He stated that approximately \$16,000 was paid to the contractor. In addition, your Committee was informed by the Director of Finance that the Administration is in the process of negotiating a new contract with a different firm for the design and construction of the Wailea Fire Station. He stated that the funding and materials remaining from the previous contract would be transferred to the new contract.

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After a brief discussion, your Committee voted to recommend filing of Contract Nos. C1168 and C1168-1.

Your Budget and Finance Committee **RECOMMENDS** that Contract Nos. C1168 and C1168-1 be **FILED**.

Adoption of this report is respectfully requested.

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