



560 North Nimitz Highway, Suite 200
Honolulu, Hawai'i 96817

May 28, 2025

Request for Quotes (“RFQ”) No. KM 2025-012

REAL ESTATE APPRAISAL SERVICES

To All Interested Offerors:

Notice is hereby given that the Office of Hawaiian Affairs (hereinafter “OHA”) will be accepting quotes from qualified Offerors that can provide real estate appraisal services to determine the market value of eight (8) parcels located in Kaka‘ako Makai on O‘ahu for the OHA’s internal financial reporting purposes.

The initial term of this Contract shall be for twelve (12) months from the anticipated commencement date of July 1, 2025 through and including June 30, 2026, subject to the availability of funds and with the option to extend the term.

The Offeror’s quote shall include the following:

1. Fee by parcel;
2. Fee to update the appraisal in Years 2 and 3;
3. Key appraiser(s) and their qualifications; and
4. Project delivery timeline.

The Offeror’s quote shall be electronically submitted via HiePRO no later than 2:00 p.m. Hawai‘i Standard Time (HST) on Friday, June 6, 2025. The total price for the real estate appraisal of all eight (8) parcels in Kaka‘ako Makai, including all applicable fees and taxes, shall be indicated in HiePRO.

Pursuant to HAR §3-122-75, considering the criteria, including but not limited to quality, warranty, and delivery, the award shall be made to the lowest most responsive, responsible offeror. When the award to the lowest responsive, responsible offeror is not practicable, the award shall be made to the offeror whose quotation provides the best value to the OHA.

The OHA reserves the right to reject any or all quotes and to accept the quotes in whole or part in the best interest of the OHA.

Scope of Services

A. The Successful Offeror shall provide real estate appraisal services for eight (8) parcels in Kaka‘ako Makai:

Lot A: 123 Ahui Street (TMK No. 210581290000);
Lot B/C: 123 Ahui Street (TMK No. 210581300000);
Lot D-1: 53 Ahui Street (TMK No. 210600270000);
Lot D-2: 45 Ahui Street (TMK No. 210580480000);
Lot E: 919 Ala Moana (TMK No. 210580060000);
Lot F/G: 160 Ahui Street (TMK No. 210600260000);
Lot K: 40 Ahui Street (TMK No. 210600280000); and
Lot I: Ala Moana Boulevard (TMK No. 210150610000).

See the attached Exhibit 1 for the Kaka‘ako Makai TMKs and Maps. The services shall include, but may not be limited to, the following:

1. Appraisal

- a. The appraisal shall reflect existing leases, encumbrances, and state-imposed land use restrictions, including the residential development moratorium on the makai side of Ala Moana Boulevard.
- b. The appraisals must evaluate the highest and best use of the properties under current HCDA zoning and market conditions, excluding residential or hotel development scenarios.
- c. The intended use of this appraisal is for the OHA’s internal financial reporting purposes.
- d. The state-imposed residential restriction must be accounted for in the appraiser’s conclusion of highest and best use. The Successful Offeror shall avoid using comparable sales that were acquired for the purpose of developing residential housing even when the zoning is similar to that of the subject parcels.
- e. The OHA had a retail market study completed in 2022 that will be provided to the Successful Offeror. The market study may be referenced in the appraiser’s determination of the highest and best use.
- f. Market value shall be subject to any existing leases and encumbrances. If the highest and best use is redevelopment, the appraiser must take into consideration the existing leases in their final value determination.
- g. The market data used to derive value must include actual fee simple land transactions and/or improved properties that were purchased for redevelopment. Ground rent resets can only be used as secondary evidence for the appraiser’s market value

conclusion.

- h. Lot A is a waterfront adjacent parcel. The bulkhead fronting Lot A has structural concerns that may or may not affect market value. The OHA shall provide information related to the bulkhead. The remaining waterfront lots have a revetment that is used to protect the shoreline. The OHA shall provide information about the condition of the revetment for the appraiser's consideration in the determination of value.
- i. Lot C – The encumbrance with Kewalo Keiki Fishing Conservancy provides the Lessee with rights to 15,000 square feet of land area to offer keiki fishing clinics. For purposes of the valuation, the appraiser is to assume this encumbrance does not impact site development or impair market value.
- j. All of the Kaka'ako Makai parcels have some level of environmental impairment. The appraiser may make a special assumption that the environmental conditions do not impair market value.
- k. The OHA shall provide all leases to the Successful Offeror. Lot D has a ground lease that extends until December 2042 and Lot K has a lease that extends through June 2030. The remaining leases are either month-to-month or expire prior to 2030.

2. Reporting

- a. The final report shall be an abbreviated narrative report with all values set forth in a single report covering all eight (8) parcels in Kaka'ako Makai. It is expected that the report will provide an adjustment grid with a documented analysis of adjustments made for date of sale, highest and best use, and floor area ratio.

3. Qualifications

- a. The appraiser must be licensed as a State Certified General Appraiser, certified with active status in the State of Hawai'i, in accordance with Chapter 466K, Hawai'i Revised Statutes ("HRS"), and Title 16, Chapter 114, Hawai'i Administrative Rules.
 - b. The appraiser shall have a minimum of ten (10) years of work experience in real estate appraisal services.
- B. The OHA Contract Administrator shall act as the contract monitor and principal liaison between the Offeror and the OHA. The OHA Contract Administrator shall assist in resolving policy questions, expediting decisions, and review of the work performed.

General Requirements

- A. The Successful Offeror shall comply with HRS, Chapter 103D, as amended, and all State, Federal, and County requirements.

B. The Successful Offeror shall also comply with the OHA General Terms and Conditions appended hereto as Attachment 1 and which by reference is incorporated herein and made part of this RFQ. Additionally, the Successful Offeror shall also comply with any Special Conditions that the OHA may require. The OHA also reserves the right to make appropriate modifications to the quantity of items or reporting requirements contingent upon unforeseen conditions.

C. License and Compliance

1. The Successful Offeror must be registered as a business in the State of Hawai‘i, be compliant with the Hawai‘i Compliance Express (“HCE”), complete the W-9 form (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>) and provide a Certificate of Liability Insurance. If you are not registered with the HCE, please register by going to the HCE website: <https://vendors.ehawaii.gov/hce/>.
2. The Successful Offeror must submit a current copy of a Certificate of Liability Insurance with the following:

The minimum insurance coverage and limits below, which shall also apply to subcontractor(s) where appropriate:

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (including personal injury, death, and property damage)	\$2,000,000 per occurrence; \$2,000,000 general aggregate per policy year; \$2,000,000 product and completed operations aggregate limit per policy year.
Personal and Advertising Injury	\$1,000,000 each occurrence.
Umbrella Liability	\$2,000,000 aggregate.
Automobile Insurance covering all owned, non-owned, and hired automobiles	Bodily injury liability limits of \$1,000,000 each person and \$1,000,000 per accident; property damage liability limits of \$1,000,000 per accident. Or \$2,000,000 combined single limit.
Workers Compensation as required by laws of the State of Hawai‘i	Insurance to include Employer’s Liability. Such coverage shall apply to all employees of the Successful Offeror and (in case any sub-contractor fails to provide adequate similar protection for all its employees) to all employees of sub-contractors
Professional Liability (Errors and Omissions)	\$1,000,000 per claim \$2,000,000 annual aggregate

- D. The State of Hawai‘i, the OHA, its elected and appointed officials, employees, and volunteers shall be named added as additional insured with respect to occurrences during or in connection with the performance of this Contract. Before the effective date of the Contract, the Successful Offeror agrees to provide the OHA with Certificate(s) of Insurance necessary to satisfy the OHA that the insurance provision of the Contract have been complied with and to keep such certificate(s) on deposit with the OHA during the entire term of the Contract. The minimum insurance required shall be in full compliance with the Hawai‘i Insurance Code throughout the entire term of the Contract, including supplemental contracts, and shall be written by a company authorized to do business in the State of Hawai‘i and rated no less than an AM Best rating of A-VIII. Successful Offeror and its carriers agree to waive their rights of subrogation with respect to any claims covered, or which should have been covered, by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder. Upon request by the OHA, the Successful Offeror shall furnish a copy of the policy or policies that satisfy the Insurance Requirements of this Contract.
- E. Each insurance policy required by the Contract, including a subcontractor’s policy, shall contain the following clauses:
1. “This insurance shall not be canceled, limited in scope of coverage or non-renewed until after thirty (30) days written notice has been given to the Office of Hawaiian Affairs, 560 North Nimitz Highway, Suite 200, Honolulu, Hawai‘i 96817.”
 2. “The Office of Hawaiian Affairs, its trustees, employees, representatives and agents and the State of Hawai‘i are added as additional insureds as respects to operations performed for the Office of Hawaiian Affairs.”
 3. “It is agreed that any insurance maintained by the Office of Hawaiian Affairs will apply in excess of, and not contribute with, insurance provided by this policy.”

The RFQ may be canceled when it is determined to be in the best interest of the OHA. If you have any questions, please contact Geena Chau, Procurement Agent, by email at geenac@oha.org.