OFFER FORM OF-2

RFP-23-HHL-009

KAUPEA SUBDIVISION, PHASE 2, VILLAGES OF KAPOLEI, OAHU

# Table of Contents

Basic Instructions

Development Proposal

1. Development Summary
2. Site Plan
3. Pricing Schedule
4. House Plans and Outline Specifications
5. Project Feasibility Analysis
6. Revenue and Cost Categories
7. Summary
8. Feasibility Analysis
9. Estimated Project Cashflow
10. Exemptions
11. Financing Plan
12. Marketing Plan
13. Warranty Program
14. Preliminary Schedule
15. Conditions
16. Green Building
17. Certification

Basic Instructions for Packaging of Proposals

1. Please package your proposal in 3-ring binder.
2. Major sections of the proposal shall be identified by "Tabs".
3. Section I of the Proposal shall be "Offer Form OF-1" and "Offer Form OF-1A".
4. Section II of the Proposal shall be this "Offer Form OF-2".
5. Section III of the Proposal shall be exhibits. All drawings and exhibits to the proposal shall be neatly folded and clipped into the 3-ring binder.
6. Fill in all blank spaces with information requested; failure to provide all requested information may cause the proposal to be invalidated.
7. Please submit an original and three (3) copies of your proposal, for a total of four (4) sets plus a set of electronic files of all documents on a flash drive.
8. An Offeror shall request in writing nondisclosure of information such as designated trade secrets or other proprietary data Offeror considers to be confidential. Such requests for nondisclosure shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

**A. DEVELOPMENT SUMMARY**

1. The proposed number of lots to be developed.

|  |  |
| --- | --- |
|  | No. of Lots |
| Fully Improved Lots |  |

2. The proposed number of housing units to be developed by type.

|  |  |  |
| --- | --- | --- |
|  | No. of Units | % of Total Units |
| Developer-built (turn-key) |  |  |
| Self-help |  |  |
| Vacant Lots |  |  |
| Other (specify) |  |  |
| Total Units |  | 100% |

**B. SITE PLAN**

Provide schematic subdivision plan for the parcel showing the planned roadways and location of each lot, including site access point(s), utility connections and approximate lot sizes.

The schematic site plan shall be attached to Section III of the Proposal as " Exhibit 1." Please submit one extra copy of the schematic site plan (unfolded) and a reduced black and white version in an 11" x 17" format.

Please provide a brief narrative of the principal features of the site plan.

**C. PRICING SCHEDULE**

Offeror’s proposal must include detailed cost estimates for five (5) house models. Every house model should fit on every lot. DHHL and the selected developer will negotiate the actual mix of houses to be constructed prior to lot selection by the lessees.

Offeror shall provide the cost estimate of each model "turnkey"/completed, vertical as well as lot improvements (including, but not limited to landscaping, driveway, utility connections, and rear and side fences. Cost estimates will include breakdown of profit and overhead per each model. Cost and price estimates shall be based on current wage and material costs (“baseline”). Actual prices shall be the baseline adjusted for increases at the time of submittal of house plans for permit approval.

In accordance with HRS §196-6.5, a solar water heater system is required for each house.

ADA and DCAB regulations do not permit assessment of a surcharge to install options for accessibility. If the basic house design is not ADA-compliant, a contingency amount should be included in all house costs should buyer(s) require installation of accessible features.

The Contractor shall be responsible for compliance with Chapter 104, HRS, for the payment of minimum prevailing wages to mechanics and laborers employed on the Project for the corresponding work classifications as determined by the Department of Labor and Industrial Relations.

It is intended that gross income derived from the construction of all housing units will be certified for exemption from Hawaii General Excise Taxes pursuant to Section 201G-116 H.R.S. The proposed house prices shall not include any provision for GET.

Units by type and proposed price:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | Area (square feet) |  |
| Model | Bedrooms | Bath-rooms | No. of Stories | Net Living | Carport | Patio/ Lanai | Total | Proposed Price |
| A | 2 |  |  |  |  |  |  | $ |
| B | 3 |  |  |  |  |  |  | $ |
| C | 3 |  |  |  |  |  |  | $ |
| D | 4 |  |  |  |  |  |  | $ |
| E | 5 |  |  |  |  |  |  | $ |

Minimum number of turnkey houses required: \_\_\_\_\_\_\_

Optional Standard Features. These items will not be factored in the scoring of proposals, but may be included by DHHL in the final house package offered to the beneficiaries, or offered to prospective buyers as optional up-grades:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ModelFeature | A | B | C | D | E |
| Enclosed Garage, including electronic roll-up door | $ | $ | $ | $ | $ |
| Rain Gutters | $ | $ | $ | $ | $ |
| Irrigation Catchment System | $ | $ | $ | $ | $ |
| Fire-protection Sprinkler System | $ | $ | $ | $ | $ |
| Ceiling Fans | $ | $ | $ | $ | $ |
| Central air conditioning | $ | $ | $ | $ | $ |
| 2 kW Photovoltaic system | $ | $ | $ | $ | $ |
| [other –add pages if necessary] |  |  |  |  |

Options (Home-buyer consideration): These items will not be factored in the scoring of proposals, but would be offered to prospective buyers at the indicated prices:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ModelOptions | A | B | C | D | E |
| Refrigerator | $ | $ | $ | $ | $ |
| Upgrade carport to enclosed garage with remote garage door opener. | $ | $ | $ | $ | $ |
| Flooring Upgrade | $ | $ | $ | $ | $ |
| Washer/ Dryer | $ | $ | $ | $ | $ |
| Cabinetry Upgrade | $ | $ | $ | $ | $ |
| Landscape Irrigation | $ | $ | $ | $ | $ |
| [other –add pages if necessary] |  |  |  |  |

Cost Breakdown for Basic Models Without Options

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | Materials | Labor | Overhead | Profit | Proposed Price |
| A | $ | $ | $ | $ | $ |
| B | $ | $ | $ | $ | $ |
| C | $ | $ | $ | $ | $ |
| D | $ | $ | $ | $ | $ |
| E | $ | $ | $ | $ | $ |

**D. HOUSE PLANS AND OUTLINE SPECIFICATIONS**

Provide schematic plans and outline specifications for the proposed residential units. Schematic plans shall include floor plans and elevations at a scale of 1/4" = 1'0". Outline specifications shall include preliminary information on the following items:

1. Foundation (including termite treatment)
2. Framing (including termite treatment)
3. Roofing
4. Partitions
5. Interior Wall Finishes
6. Exterior Wall Material & Finishes
7. Ceiling Finishes
8. Carpeting & Floors
9. Doors & Windows
10. Cabinetry
11. Fixtures & Appliances (range, minimum)
12. Garage/Carport
13. Special Features (if any)

House plans shall be attached to Section III of the Proposal as "Exhibit 2". Mark each sheet "2A", "2B", etc.

**E. PROJECT FEASIBILITY ANALYSIS**

**1.** **Summary**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Turn-key | Self-help | Vacant Lot | Other | Total |
| Lot count |  |  |  |  |  |
| Gross acres |  |  |  |  |  |
| Gross density (lots/acre) |  |  |  |  |  |
|  |  |  |  |  |  |
| Infrastructure Development |  |  |  |  |  |
| Cost/lot |  |  |  |  |  |
|  |  |  |  |  |  |
| Average sales price/unit |  |  | n/a |  |  |
| Average square feet/unit |  |  | n/a |  |  |
| Average price/square foot |  |  | n/a |  |  |
| Average cost/unit \* |  |  | n/a |  |  |
| Average cost/square foot |  |  | n/a |  |  |
| Monthly absorption |  |  |  |  |  |

\* Direct construction cost (exclude land acquisition, indirect construction costs, and profit).

###### 2. Revenue and Cost Categories

All prospective developers must use the following categories to prepare the feasibility analysis for their proposal. Revenues and costs must be stated in current dollars as of the date of submittal. Please note that numbers in parentheses refer to the line items on the Project Pro Forma Summary Sheet.

Site Development (1) – Costs related to the planning, design, and construction of on- and off-site infrastructure. These costs will be funded by DHHL and/or other agency grants or subsidies – they may **not** be re-captured through house sales.

House (2) – Costs related to the design, construction and sale of housing units. These costs will be funded by the interim construction loan, which will be repaid with revenues generated by house sales.

Indirect Construction (3) – Costs arising from engineering and architectural consulting contracts, as itemized. A breakdown of other costs shall be listed on a separate sheet.

Direct Construction (4) – Costs from construction contracts and subcontracts, permit fees, bonding and insurance costs, and construction related utility costs.

Indirect Development:

Project Management (5) – Developer’s management fee. The selected developer will be required to itemize the Project Management budget items prior to execution of the Development Agreement.

Fees and Assessments (6) – Utility connection fees, and other similar fees. A breakdown of these costs shall be included on a separate sheet. (Note: Construction permits and other fees paid directly by the contractor shall be included in the construction cost above.)

Financing (7) – This cost item must include the costs for interim and permanent financing. The permanent financing (financing for the home buyers) shall include commitment fees and discount points. Details, including fees and any special loan packages shall be described in the Financing Plan.

Marketing and Sales (8) – Costs associated with merchandising, sales, master appraisal, DHHL award process requirements and any model units (excluding structure and lot). Examples are orientation and lot selection meetings, model complex landscaping, decoration furnishings, maintenance, utilities and restoration, sales office expenses, brochures, postage, and advertising, etc.

Closing Costs and Commissions (9) – Costs associated with the closing of the sale of the units, including escrow fees, sales commissions, and miscellaneous closing fees.

Legal (10) – Projected legal costs for start up and development of the project to include legal costs for the Development Agreement, Loan Agreement, Community Association, and general legal requirements.

Other (11) – Costs not covered above. A cost breakdown shall be included on a separate sheet.

Contingency (12) – Estimated contingency to cover unanticipated costs.

**3. Feasibility Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| COSTS |  |  |  |
| **Site Development (1)**  |  |  |  |
| **Indirect Construction (3)** |  |  |  |
| Civil Engineer |  |  |  |
| Traffic Engineer |  |  |  |
| Archaeological |  |  |  |
| Survey (Construction) |  |  |  |
| Soils Engineer |  |  |  |
| Others |  |  |  |
| Sub-total |  |  |  |
| **Direct Construction (4)** |  |  |  |
| On -site Infrastructure |  |  |  |
| Off -site Infrastructure |  |  |  |
| Sub-total |  |  |  |
| **Indirect Development** |  |  |  |
| Project Management (5) |  |  |  |
| Fees and Assessments (6) |  |  |  |
| Other (11) |  |  |  |
| Sub-total |  |  |  |
| **Contingency (12)** |  |  |  |
| **Total Site Development Costs** |  |  |  |
|  |  |  |  |
| House Development (2)  |  |  |  |
| **Indirect Construction (3)** |  |  |  |
| Architect |  |  |  |
| Structural Engineer |  |  |  |
| Other (11) |  |  |  |
| Sub-total |  |  |  |
| **Direct Construction (4)** |  |  |  |
| Houses |  |  |  |
| **Indirect Development** |  |  |  |
| Project Management (5) |  |  |  |
| Fees and Assessments (6) |  |  |  |
| Interim Loan Fees (7) |  |  |  |
| Interim Loan Interest (7) |  |  |  |
| Permanent Loan Fees (7) |  |  |  |
| Marketing and Sales (8) |  |  |  |
| Closing Costs and Commissions (9) |  |  |  |
| Legal (10) |  |  |  |
| Other (11) |  |  |  |
| Sub-total |  |  |  |
| **Contingency (12)** |  |  |  |
| **Total Building Development Costs (TBDC)** |  |  |  |
| **TOTAL DEVELOPMENT COSTS** |  |  | **$** |
|  |  |  |  |
| **REVENUES** |  |  |  |
| DHHL Funds |  |  |  |
| House Sales |  |  |  |
| Other |  |  |  |
| **TOTAL REVENUES (TR)** |  |  | **$** |
|  |  |  |  |
| **Developer's Profit (TR minus TBDC)** |  |  | **$** |

###### 4. Estimated Project Cashflow

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| COSTS | Total | Month 1 | Month 2 | Month 3etc.  |
| **Infrastructure** |  |  |  |  |
| Civil Engineer |  |  |  |  |
| Traffic Engineer |  |  |  |  |
| Archaeological |  |  |  |  |
| Survey (Construction) |  |  |  |  |
| Soils Engineer |  |  |  |  |
| Other |  |  |  |  |
| On -site Infrastructure |  |  |  |  |
| Off -site Infrastructure |  |  |  |  |
| Street Maintenance/Electricity |  |  |  |  |
| Project Management |  |  |  |  |
| Fees and Assessments |  |  |  |  |
| Other |  |  |  |  |
| Contingency |  |  |  |  |
| Total Infrastructure Costs | $ | $ | $ | $ |
|  |  |  |  |  |
| House |  |  |  |  |
| Architect |  |  |  |  |
| Structural Engineer |  |  |  |  |
| Other |  |  |  |  |
| Construction |  |  |  |  |
| Interim Loan Fee |  |  |  |  |
| Interim Loan Interest |  |  |  |  |
| Permanent Loan Fees |  |  |  |  |
| Marketing & Sales |  |  |  |  |
| Closing Costs and Commission |  |  |  |  |
| Project Management |  |  |  |  |
| Legal  |  |  |  |  |
| Fees and Assessments |  |  |  |  |
| Other |  |  |  |  |
| Contingency |  |  |  |  |
| Total House Costs | $ | $ | $ | $ |
| **TOTAL DEVELOPMENT COSTS** | **$** | **$** | **$** | **$** |
|  |  |  |  |  |
| **REVENUES** |  |  |  |  |
| House Sales |  |  |  |  |
| DHHL Funds |  |  |  |  |
| Other (specify) |  |  |  |  |
| **TOTAL REVENUES** | **$** | **$** | **$** | **$** |

**F. EXEMPTIONS**

Provide a description and rationale for any proposed variances or exemptions from County Zoning, Subdivision, or Building Codes that are proposed as design concepts. All proposed variances and exemptions will be subject to approval by DHHL prior to submission to the respective county. No variance or exemption shall negatively impact the health and safety of the homebuyers and the general public.

Offers should note any major impacts, financial or otherwise, if a proposed variance or exemption is not approved.

**G. FINANCING PLAN**

Provide a brief description of your proposed financing plan, including the following:

1. Financing for the interim house construction loan.
2. Permanent financing that the Developer will provide to homebuyers, if any.
3. Grants or other financial assistance to be offered to applicants to purchase their houses.

A letter of interest shall be provided by lending institutions acknowledging review of the Project as proposed by the Offeror and expressing interest in providing the proposed financing.

Please see section 2.4 G. of the RFP regarding availability of the DHHL Interim Loan fund. If proposing to utilize the DHHL Interim Loan Fund, the deduction should be included in the house prices submitted in Section C. PRICING SCHEDULE.

**H. MARKETING PLAN**

Provide a description of your proposed marketing plan, including analysis of the DHHL residential waiting list, rationale for the proposed unit mix and pricing schedule, concepts on model units, sales office, sales personnel, sales materials, advertising and coordination with DHHL for unit selection from DHHL's waiting list. Describe the proposed homeownership program required for first time home buyers.

**I. WARRANTY PROGRAM**

Developer shall provide a 1-year workmanship and material warranty on all infrastructure work.

Provide a brief description of the proposed warranty program for the residential units, including:

1. Ground Soil Treatment

2. Defective Materials and Workmanship

3. Treatment of Structural Lumber

4. Appliances

5. Roofing Material

6. Common Area Landscaping and Maintenance

7. Infrastructure

8. Others

 **J. PRELIMINARY SCHEDULE**

The proposed detailed schedule for the implementation of the project shall be provided below. Indicate target dates in months, with "Day 1" assumed as the effective date of the executed Development Agreement. This schedule assumes all permits such as grading, building, etc. and issuances of certificates of occupancy (if required) are included if not stated below. The proposed schedule as submitted by the Offeror may be reflected as a performance requirement of the Development Agreement if the Offeror is selected.

|  |  |  |  |
| --- | --- | --- | --- |
| Major Milestone | Duration | Start | Complete |
| Execute Development Agreement |  | Day 1 |  |
| Complete preliminary design | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| DHHL & County design review complete | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| Complete Final Design | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| DHHL & County design review complete | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| Off-site Infrastructure Construction | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| On-site Infrastructure Construction | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| Applicant Notification & Lot Selection | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| County Building Permits & Approvals | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| Model Home Construction | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| Production House Construction | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| House Occupancy | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| The planned rate of housing production is: | \_\_\_\_\_\_\_\_\_\_ | Per month |  |
| The projected rate of house sales is: | \_\_\_\_\_\_\_\_\_\_ | Per month |  |

Describe any sub-phasing of construction if applicable.

**K. CONDITIONS**

Provide a brief description of any special conditions that are contained in your proposal, whether relating to pricing, plans, designs, specifications, costs, warranties, schedule or other factors.

**L. GREEN BUILDING**

DHHL has identified a minimum two star rating using the Hawaii BuiltGreen Self Certification Checklist as the desired baseline standard for all Contractor-built homes. Offerors shall submit a completed Hawaii BuiltGreen Checklist that shows prospective measures to be included in all Contractor-built homes to achieve or exceed this goal.

Solar water heaters are a required measure to be included in all proposals. The value of any State and/or Federal tax credits made eligible by the use of solar water heaters should be passed on to the home buyer.

Offerors shall also submit a brief (not to exceed one page) narrative justification for the green building approach and a separate, brief narrative on how the design will promote building orientation-related benefits. Please read Exhibit G “Hawaii BuiltGreen” of the RFP for more information on a list of preferred strategies; resources that support residential green building in Hawaii, and how to use the Hawaii BuiltGreen Checklist.

**L. CERTIFICATION AND ACKNOWLEDGEMENTS**

The undersigned represents and warrants that the information provided is true and complete and that DHHL may consider the information as continuing to be true and correct until a written notice of a change is given to DHHL by the undersigned. The undersigned understands that knowingly making any false statement to DHHL in connection with this application shall constitute perjury and be punishable as such. The undersigned agrees to provide any other information that DHHL deems necessary to determine the qualifications of the applicant.

The undersigned agrees and certifies that the Department shall not be held liable for any information provided by the Department to the developer, whether contained herein or provided separately.

It is further understood and agreed that:

 1. The Department reserves the right to reject any or all proposals and waive any defects when, in the Department's opinion, such rejection or waiver will be for the best interest of the State;

 2. The selection of proposals shall be conditioned upon funds being made available for this project and further upon the right of the Department to hold all proposals received for a period of ninety (90) days from the date of the opening thereof, unless otherwise required by law, during which time no proposal may be withdrawn;

 3. By submitting this proposal, the undersigned is declaring that the undersigned's firm has not been assisted or represented on this matter by an individual who has, in a State capacity, been involved in the subject matter of this contract in the past two (2) years.

 4. DHHL is relying on the information provided herein to qualify the undersigned as an eligible Developer under the Hawaiian Homes Commission Act, 1920, as amended.

Receipt of the following addenda issued by the Department is acknowledged by the date(s) of receipt indicated below:

 Addendum No. 1 Addendum No. 4

 Addendum No. 2 Addendum No. 5

 Addendum No. 3 Addendum No. 6

 Respectfully submitted,

(CORPORATE SEAL)

 By

 Title

 Date