

Future of the Oahu Community Correctional Center

Vol. 37 – OCCC Procurement Process Advancing

October 2021

Hawaii Department of Public Safety

The Hawaii Department of Public Safety (PSD) is responsible for carrying out judgments of the state courts whenever a period of confinement is ordered. Its mission is to uphold justice and public safety by providing correctional and law enforcement services to Hawaii's communities with professionalism, integrity and fairness. Currently, offenders are housed within State of Hawaii jail and prison facilities located within Hawaii, at the Federal Detention Center in Honolulu, and in private contractor facilities on the mainland.

PSD operates Community Correctional Centers (CCCs), widely known as jails, on the islands of Kauai, Maui, Hawaii and Oahu. Each CCC houses short-term sentenced felons, probation, and misdemeanor offenders; pretrial felons and misdemeanor offenders; other jurisdiction; and probation/parole violators. CCCs provide the customary county jail function of managing both pre-trial detainees and locally-sentenced misdemeanor offenders and others with a sentence of one year or less. CCCs also provide an important pre-release preparation/transition function for prison system inmates who are transferred back to their place of origin when they reach less than a year until their scheduled release. Although some offenders will remain in prison for life, the majority (over 95 percent) will serve their sentences and be released, eventually returning to the community.

PSD is committed to providing a safe, secure, healthy, humane, social, and physical environment for inmates and staff. However, aged and obsolete CCCs have limited PSD's ability to provide such environments. All jail facilities are antiquated with limited space for programs and treatment services. Improvement of the declining facilities (and replacing facilities when necessary) is a priority. Chief among such priorities is replacement of the existing Oahu CCC (OCCC) with a new facility at the Animal Quarantine Station (AQS) in Aiea/Halawa. Assisting with OCCC planning and development is the Department of Accounting and General Services (DAGS) and a team of consultants (the "OCCC Team").

State Using Three-Stage Procurement Process

The Department of Accounting and General Services (DAGS) is leading a team in the effort to develop the new OCCC and in doing so, is employing a three-stage procurement process involving preparation of a Request for Interest (RFI) followed by a Request for Qualifications (RFQ) and lastly, a Request for Proposal (RFP). For much of 2021, the team's focus has been on how to best finance the construction of the project. With the State facing budgetary limitations now and in the years ahead, DAGS has been evaluating methods to allow construction of the new OCCC to proceed without reliance on bonds and other traditional financing solutions that could result in long-term negative effects to the State's debt ceiling and credit rating. DAGS is employing the following three-stage procurement process to achieve the best possible outcome for the new OCCC:

- Request for Interest (RFI) is the initial stage of a procurement process. The purpose of this stage is to determine the level of interest among prospective organizations to participating in the development of a planned facility such as the new OCCC.
- Stage 2: Request for Qualifications (RFQ) follows the RFI and is the pre-qualification stage of the process. Only those prospective organizations who respond to the RFQ and best meet the qualifications criteria are invited to participate in the Request for Proposal stage.
- Stage 3: Request for Proposal (RFP) solicits proposals, through a formal process, from organizations pre-qualified during the RFQ stage. The proposals include details of the proposed solution and a cost bid.

Request for Interest (Stage 1) Completed

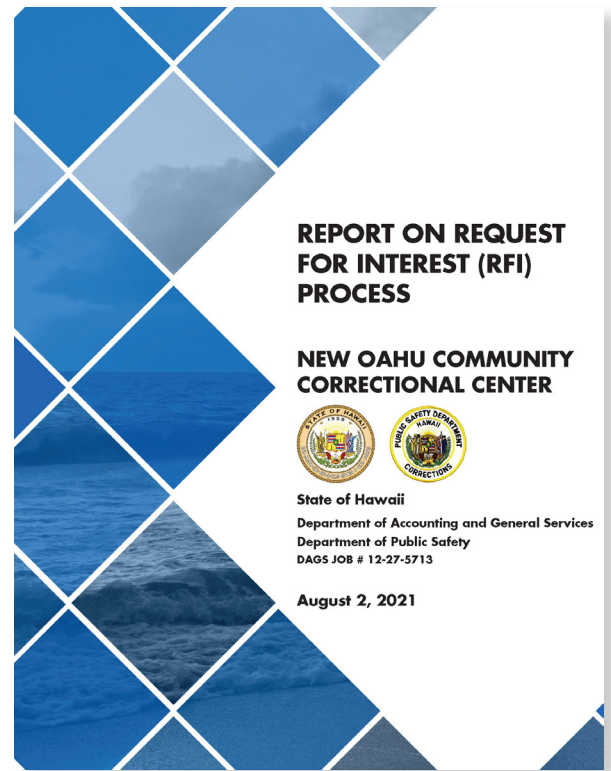
When procuring the development of a new facility such as OCCC, it is useful to solicit feedback from leaders in the design, construction, finance, and facility maintenance industries in the form of an RFI. Thus, State officials employed the RFI process (Stage 1) to help familiarize themselves with the market with which they will be engaging, acquire general information about services that will be needed, and to identify companies with the knowledge, experience, and interest to provide the needed services. By preparing and widely distributing an RFI to companies, and subsequently reviewing the responses in a systematic and structured way, the State gained a better understanding of the current market and trends while establishing expectations for future procurement stages. Under the planned procurement, the Department of Public Safety (PSD) will continue to retain all inmate management responsibilities along with routine maintenance of the new OCCC.

DAGS issued an RFI on January 29, 2021 and by the March 12, 2021 deadline, 22 responses had been received from construction contractors, designers, financiers, equity investors, and others. The information received from respondents included:

- General capabilities and relevant design, construction, maintenance, finance or other relevant public infrastructure experience.
- Experience delivering vertical and social infrastructure projects including correctional and justice facilities.
- Specific experience delivering correctional facilities exceeding 250 beds, and their performance in design, construction, finance and/or commissioning.
- Ideas related to potential procurement methods, funding and financing options, risks and mitigation measures, industry best practices and potential innovations that could improve facility performance or reduce costs.

Each response to the RFI was reviewed with the information provided used to refine assumptions and expectations regarding the planning, design, construction, financing, and eventual delivery of the new OCCC. In addition, meetings were held with select firms or teams during the week of April 19, 2021, at which time respondents shared their qualifications, experience and general approach to the OCCC project, and answered questions regarding their respective submissions.

Based on the feedback received, respondents to the RFI viewed the Public Private Partnership (P3)/procurement model as likely to produce the greatest value for the State and verifies and reinforces similar findings from OCCC studies conducted since 2018. The RFI process was also successful in establishing the OCCC project as an attractive opportunity to the finance and corrections industries and produced useful information that will help the State of Hawaii to continue advancing the OCCC project forward. Copies of the RFI and a Summary Report on the responses received are available on the OCCC Future Plans website: <http://dps.hawaii.gov/occc-future-plans/>.



Evaluation of RFI Responses (August 2, 2021)

Request for Qualifications (Stage 2) to Begin

The second stage in the three-stage procurement process is publication of an RFQ. With industry interest in development of the new OCCC (based on the RFI results), the State will soon embark on preparation of an RFQ to pre-qualify candidates who will then compete to design, construct, and finance the new OCCC during the RFP process (Stage 3).

An RFQ is a procurement tool that, based on Statements of Qualifications (SOQs) submitted by developers which typically includes credentials and project history, helps the State to narrow the pool of candidates to a small group consisting of only the most qualified respondents. This subset is then asked to move on to the RFP stage of the project. In addition to helping the State narrow the field of candidates, the RFQ process signals to interested organizations that the State of Hawaii will only request a small number of industry-leading developers to put in the time and effort typically required to respond to a comprehensive RFP, thus increasing the odds of the developer winning the project commission. A top-tier developer will generally only make the necessary investment to submit a high-quality proposal if that developer views its odds of winning the project to be reasonable (20% or greater).

SOQs include a candidate's skills, abilities, relevant experience, and leadership team, together with the vision and capacity necessary to deliver the best possible outcome for the State. Respondents are also asked to provide information related to the developer's approach to the project, including innovative ideas the developer may have related to the design, construction and finance of the project and any additional information that would be helpful to the State. However, respondents are not requested to provide detailed design or cost proposals at this stage. The RFQ process could include an in-person or virtual interview if deemed necessary to determine the most qualified candidates.

Following review of the SOQs, a shortlist is established of three to five candidates considered best qualified to deliver the new OCCC project. Use of an RFQ is also a means to make the RFP process more efficient as there will be fewer submissions to evaluate and all responses will have originated from candidate firms or teams that are deemed by the State of Hawaii to be highly-qualified. It is far



Procurement Stages

Request for Proposals (Stage 3)

The ultimate goal of the procurement process is a contract with a private sector entity to design, construct, finance, and partially maintain a modern new OCCC. The RFP stage is the means to successfully arrive at that outcome. At this stage, the OCCC team, comprising PSD (as the end-user) and other key participants (design, legal, finance, etc.) drafts an RFP document that defines and describes in great detail the planned project, the project goals to be achieved, the requirements and performance specifications associated with the design, construction and financing the new OCCC. The RFP also provides details on the selection process, selection criteria, and contract terms.

easier, less time-consuming, less costly, and fairer to all involved to evaluate a select number of highly detailed technical and cost proposals from pre-qualified candidates rather a large number of proposals from both qualified and unqualified candidates. By submitting SOQs, candidates would be representing that they understands the RFQ terms and conditions, however, it is not an offer to enter into a contract. Publication of the RFQ is intended to precede issuance of an RFP once a sufficient number of qualified competitors are identified. Only candidate firms or teams that are shortlisted would be invited to submit proposals at the RFP stage of the procurement. Publication of the OCCC RFQ is anticipated in early 2022.

The use of a performance specification is particularly important in the RFP, as the purpose of the RFP is not to prescribe the means and methods of constructing the facility. Rather, the RFP defines the desired technical outcomes that the facility is to achieve, and defines the commercial terms (i.e. guarantees, incentives and penalties) that ensure that these outcomes are realized. The developer then, leveraging the collective expertise and innovative ideas of its team members, proposes the optimal solution to achieve the desired outcomes.

By submitting a response to the RFP, the developer also agrees to accept the risks (e.g., construction and performance) transferred to the developer via the commercial terms defined in the RFP. In the RFP response, the developer submits a cost and schedule proposal that reflects both its proposed solution and the developer's assessment of the project's risk profile. To ensure that only the appropriate level of risk is shifted to the developer, and thus to keep costs low, it is important that the RFP articulates the risks that will be held by the State and the extent to which risks that are being transferred to the developer have been, or will be, mitigated by the time the developer begins work on the project. The ability of the RFP to draw innovative solutions from the market, while optimizing the risk transfer to the private sector, will lead to a quality project that presents the State with high value for taxpayers' money. No date has been established yet for release of the OCCC RFP.



Procurement Process

New OCCC Procurement Goals and Objectives

- Value: The State of Hawaii will seek to procure the solution that offers the best value for taxpayers' money.
- Open and Fair Competition: The State will establish a selection process that is open and bias-free to ensure a level playing field for all proposers.
- Transparency: The evaluation criteria will be clear and the application of this criteria as part of the RFP evaluation process will be transparent. Thus, the project will not be exposed to undue influence or unethical practices that will compromise the selection process or the outcomes of the process.
- Accountability: Every project participant at each procurement stage will be accountable to the rules and regulations of the procurement process and the decisions that are made.

OCCC Team Engages Community Members

When planning for the new OCCC began in earnest in 2016, the OCCC Team immediately began addressing the many challenges to be faced as the State of Hawaii moved forward to replace the current OCCC in Kalihi. Since that time, the OCCC Team has made it a priority to engage elected and appointed officials, community groups, the media, and the public during the planning process and has remained committed to ensuring that the process of developing a new OCCC includes the input of all interested parties.

Beginning in August 2016, the OCCC Team initiated a vigorous public outreach and engagement program to provide information about the proposed facility while offering interested citizens a variety of means to participate in planning the new OCCC.

In addition to establishing the OCCC Future Plans website (<http://dps.hawaii.gov/occc-future-plans>) and publishing 37 monthly newsletters, OCCC Team members have participated (both in-person and remotely) at 43 Neighborhood Board meetings throughout Oahu, of which

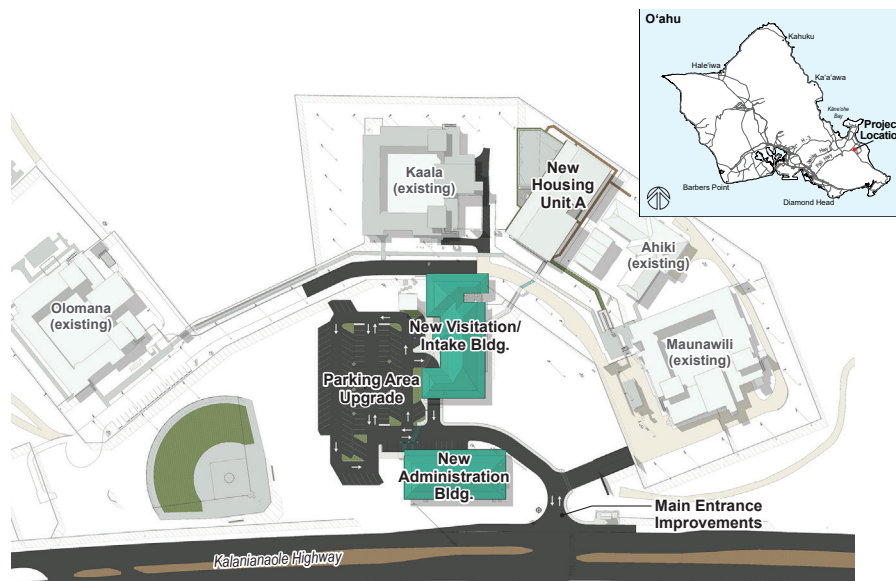
21 have been with members of Neighborhood Board #20 (Aiea). Team members have also attended 16 Aiea Community Association meetings and 15 Hawaii Correctional System Oversight Commission meetings to provide current information about the OCCC project; discuss on-going efforts, recent accomplishments, and upcoming activities; and address questions or concerns raised by community leaders. These meetings, attended throughout the pandemic, as well as many others conducted since 2016, have provided opportunities for interaction with state and city/county officials, regulatory agencies, community groups, and the public-at-large. With the recent neighborhood board election, OCCC Team members are looking forward to engaging the new members, briefing them on plans for the new OCCC, and answering their questions.



OCCC Team members addressing an Aiea Neighborhood Board #20 meeting. Since 2020, all such meetings have been held remotely.

WCCC Construction Continues

Since ground-breaking in July 2021, construction at the Women's Community Correctional Center (WCCC) has been steadily progressing. Located in Kailua, WCCC serves the needs of pre-trial and sentenced female offenders. Under construction are a new 176-bed Housing Unit A, a new Administration Building, a new Visitation/Intake Building, along with parking lot and access drive upgrades. The improvements being constructed are part of PSD's plan to relocate female pre-trial detainees currently housed at OCCC to WCCC in order to improve living conditions, expand treatment and rehabilitation services, and increase opportunities for family visitation. Construction is expected to be completed in 2023 and over the coming months additional construction updates and photographs will be included in OCCC newsletters.



Credit: CGL Companies.



Recent photos showing excavations underway at WCCC

More Frequently Asked Questions

Throughout the planning process, comments and questions about the new OCCC have been received from elected and appointed officials, stakeholders, community groups, and members of the public. The questions and comments expressed below are among those recently asked of PSD.

Q1 At what stage are new treatment and rehabilitative programs developed for those to be housed at the new OCCC?

The team is currently developing a new architectural program that is based on the current OCCC population forecast and utilizing efficient and effective layouts and arrangements of program spaces to serve the needs of the incarcerated, staff, and visitors to the new facility. Development of new treatment and rehabilitative programs will be undertaken as the new OCCC design is finalized and construction is underway which is still several years away.

Q2 What are the ways the Hawaii's Judiciary and Legislature can address jail and prison overcrowding?

Criminal justice reforms being implemented across the country, including bail and sentencing reform, alternatives to incarceration, increased support for mental health and substance abuse treatment programs, among others, are the purview of the Judiciary and Legislature. PSD supports such initiatives and encourages others to do so.

Q3 Does PSD support recommendations of the HCR 85 Task Force concerning criminal justice reform including bail and sentencing reform, incarceration alternatives, and diversion programs?

Criminal justice reforms in Hawaii are the purview of the Judiciary and State Legislature and not PSD. It is hoped that the work of the HCR 85 Task Force will result in reforms that will allow greater numbers of detainees to be released, placed in outside programs, or assigned to other alternatives to incarceration than are available today. PSD supports such initiatives and encourages others to do so.

Q4 Prior to developing a new correctional facility, PSD is required by statute (HRS 353-16.37) to conduct community partnering. What is the schedule for undertaking community partnering?

According to the Hawaii Department of the Attorney General, the community partnering statute is triggered by the issuance of a Request for Proposal for construction of correctional facilities and not before.

Q5 Are the same facilities and resources accessible to pre-trial inhabitants as to convicted inhabitants? Are there differences in how these two groups are treated?

Although most offenders assigned to OCCC are housed for relatively short periods during the pre-trial and trial processes (days or weeks compared to the multi-year sentences served at Hawaii's prisons), both pre-trial and inmates serving less than a one-year sentence are provided with resources and services to address health care, mental health, substance abuse and other issues while detained. Sentenced inmates are housed separately from the pre-trial detainee population.

Q6 What consideration is being given to the needs, priorities, and concerns of former inmates, family members, and non-profits that work with issues concerning incarceration?

The OCCC Team continually solicits ideas about the new OCCC from all interested parties and as the project advances to the design stage, the needs, priorities and concerns of former inmates, family members, non-profits and others will be increasingly important, especially in light of the impact of the COVID-19 pandemic and other contagions in the future.



U.S. Post Office, Customs House and Courthouse, Honolulu, Hawaii circa 1922. Source: Hawaii State Archives.

Upcoming Activities

The following activities are anticipated in the months ahead.

<p>November 2021</p>	<p>Complete geotechnical study of new Animal Quarantine Station site. Begin preparation of Request for Qualifications to develop new OCCC. Continue constructing improvements at WCCC. Continue public outreach, information, and engagement by attending meetings of Aiea Neighborhood Board #20, Aiea Community Association, and Hawaii Correctional Systems Oversight Commission, publication of Newsletter Vol. 38, etc.</p>
<p>December 2021</p>	<p>Continue preparing Request for Qualifications to develop new OCCC. Continue constructing improvement at WCCC. Continue public outreach, information, and engagement by attending meetings of Aiea Neighborhood Board #20, Aiea Community Association, and Hawaii Correctional Systems Oversight Commission, publication of Newsletter Vol. 39, etc.</p>
<p>January 2022</p>	<p>Continue preparing Request for Qualifications to develop new OCCC. Continue constructing improvements at WCCC. Continue public outreach, information, and engagement by attending meetings of Aiea Neighborhood Board #20, Aiea Community Association, and Hawaii Correctional Systems Oversight Commission, publication of Newsletter Vol. 40, etc. Hawaii's 2022 Legislative Session begins.</p>

Join OCCC Email List

Add your name to the OCCC email list to directly receive announcements, newsletters, and other project-related materials by sending your name, affiliation (if any), and email address to: robert.nardi@wsp.com.

Interested in Learning More?

For additional information visit <http://dps.hawaii.gov/occc-future-plans> or contact:

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