



# Honolulu Board of Water Supply

**TO:** ERNEST Y.W. LAU, P.E.  
MANAGER & CHIEF ENGINEER

**DATE:** June 14, 2021

**FROM:** RAELYNN NAKABAYASHI  
EXECUTIVE SUPPORT OFFICE



**SUBJECT:** Approval of the Revision of the Fiscal Year 2020-2021 Capital Improvement - Program Budget – Amendment No. 4

We request your approval to reduce funding for the following projects listed in the FY 2021 Capital Improvement Program (CIP) Budget to provide additional funding to the Contract Adjustment Account.

The Contract Adjustment Account is used to provide additional funding for other CIP projects where the lowest bids are anticipated to come in higher than budgeted and to provide funding for contract change orders to previously awarded contracts.

The recommended deferral and reprogramming of these projects will enable the department to award several projects in the FY 2021 CIP budget without causing any significant delays to the overall CIP construction schedule.

1. Reduce the appropriation for the following CIP projects:

Item No. 36 GAC Interior Corrosion Control at Various Locations

		<u>Appropriation</u>	
		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	CONST	1,500,000	0

Description: Perform interior corrosion control of selected BWS GAC Facilities.

Reason: This project is being deferred to Fiscal Year 2022.

Item No. 59 Kapolei Base Yard Facility

		<u>Appropriation</u>	
		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND	CONST	3,500,000	0

Description: Design-Build contract for installation of administration building.

Reason: This project is being deferred to a future fiscal year and will not be pursued as a Design-Build contract.

2. Increase the CIP Contract Adjustment Account:

	<u>Appropriation</u>	
	<u>Present</u>	<u>Proposed</u>
OPERATING FUND	28,822,000	30,322,000
IMPROVEMENT FUND	1,000,000	4,500,000

The following is a summarization of the FY 2021 CIP Budget Amendment No. 4:

FY 2021 CIP Budget (as Adopted)	\$170,127,500
FY 2021 - Amendment No. 1 (Resolution No. 915 Adopted September 28, 2020)	<u>+\$31,460,000</u>
SUBTOTAL	\$201,587,500
FY 2021 - Amendment No. 2	
Projects – Modified Appropriations	(\$4,500,000)
Projects – Deleted	(\$8,075,000)
Contract Adjustment Account	+\$12,575,000
FY 2021 - Amendment No. 3	
Projects – Modified Appropriations	(\$47,000)
Contract Adjustment Account	+\$47,000
FY 2021 - Amendment No. 4 (this amendment)	
Projects – Deleted	(\$5,000,000)
Contract Adjustment Account	+\$5,000,000
FY 2021 CIP Budget As of Amendment No. 4	<u>\$201,587,500</u>

Upon approval, the appropriate pages of the current Capital Improvement Program budget will be revised.

APPROVED/ DISAPPROVED:

  
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ERNEST Y.W. LAU, P.E.    Date

cc: Finance  
Capital Projects  
Water Resources  
ESO-MBO (Original)