

Shall the Authority Authorize the Executive Director to Expend Additional Hawaii Community Development Revolving Funds for Improvements and Repairs at the Kakaako Waterfront, Gateway and Kewalo Basin Parks?

Staff Report

October 7, 2009

Background: On June 3, 2009, the Authority authorized the Executive Director to expend up to \$3.5 million from the Hawaii Community Development Revolving Funds for the construction of improvements and repairs to the Kakaako Waterfront, Gateway, and Kewalo Basin Parks.

On July 22, 2009, construction bids were received and opened for the project. The lowest responsible, responsive bid was \$3,731,654.

Discussion: The construction cost of the project was estimated to be \$3.1 million. An additional \$400,000 was set aside for contingencies and the total budget for the project was \$3.5 million. Due to the current economic climate, it was anticipated that bids would come in lower than the estimate; however, the bids came in much higher than expected.

Staff believes that all the proposed repairs are necessary to provide a safe and enjoyable environment for all park users. However, certain improvements that were planned but are not time critical can be delayed for now. Similarly some of the added amenities for the park can be postponed for the time being. Deleting these non-critical items and additional amenities from the project will result in some savings. The remaining items in the project are priority repair items that, if not taken care of immediately, will further deteriorate the park and create an unsafe environment for the users.

Even with the resulting savings of \$383,828 from deleting the non-critical items and additional amenities, staff believes that an additional \$350,000 will be necessary to cover the construction cost and contingencies for the project. A contingency of fifteen percent (15%) of the construction cost is normally planned for in projects of this nature due to unforeseen field conditions, environmental remediation that may be necessary, and other unanticipated work such as additional breaking off of spalling concrete while repairing it.

The total cost of the construction with the deletion of non-critical items and additional amenities is expected to be \$3,347,826. A contingency of fifteen percent (15%) of the construction cost will be \$502,174. The total budget for the project including contingency is \$3,850,000.

Recommendation: Staff recommends that the Authority authorize the Executive Director to expend up to an additional \$350,000, for a total amount of \$3,850,000, from the Hawaii Community Development Revolving Funds for construction of improvements and repairs to the Kakaako Waterfront, Gateway, and Kewalo Basin Parks.