



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

---

Testimony Presented Before the  
Senate Committee on Ways and Means  
February 17, 2011 at 9:00 am  
Conference Room 211

by

Brian K. Minaai

Associate Vice President for Capital Improvements, University of Hawai'i

### INFORMATIONAL BRIEFING ON REPAIRS AND MAINTENANCE BACKLOG AND PLAN TO ADDRESS THE BACKLOG

Chair Ige, Vice Chair Kidani, and Members of the Senate Committee on Ways and Means:

Thank you for the opportunity to brief you on the University of Hawai'i Repairs and Maintenance (R&M) Program, our maintenance backlog, and the University's plan to eliminate the maintenance backlog.

#### Facilities Renewal and Reinvestment Study

Starting in 2008, the University has conducted an annual Systemwide facilities renewal and reinvestment study. The study, which was prepared by the Pacific Partners Consulting Group (PPCG), was last updated in 2010 and is available on-line at:

[http://www.hawaii.edu/oci/forms/BOR\\_FacilityRenewalReinvestmentStudy\\_2010-06-30.pdf](http://www.hawaii.edu/oci/forms/BOR_FacilityRenewalReinvestmentStudy_2010-06-30.pdf)

The PPCG Report documents the University's maintenance backlog and capital renewal requirements over a ten year period. The 2010 PPCG Report has identified a maintenance backlog of \$334.086 million.

The \$334.086 million reflects the total maintenance backlog in Fiscal Year 2009-2010, inclusive of University funded units such as student housing, faculty housing, parking, and other University Projects pursuant to §304A-2681, Hawai'i Revised Statutes. Of the \$334.086 million maintenance backlog, we estimate the maintenance backlog of University funded programs at \$26.478 million, and the maintenance backlog for facilities dependent on the general fund at \$307.608 million.

## Capital Renewal

All buildings are comprised of different sub-systems that have predictable lifetimes. The PPCG Report encompasses roofs, building exteriors, elevators and conveying systems, air conditioning, lighting, electrical equipment, plumbing, fire protection and detection systems, built-in specialties and equipment, and interior finishes. The capital renewal requirement for Fiscal Biennium 2011-2013 intends to replace sub-systems that are at the end of its useful life. For example, a tar and gravel roof is expected to have an average lifetime of fifteen years. Assuming that the roof was last replaced in 1997, it will require capital renewal in 2012. It should be noted that the failure to implement capital renewal projects results in a commensurate increase to the maintenance backlog.

## Reduction of Backlog

As noted previously, the University's maintenance backlog for facilities dependent on the general fund is estimated at \$307.608 million. A goal of the University of Hawai'i CIP Budget for Fiscal Biennium 2011-2013 is to initiate a plan to eliminate the maintenance backlog in six years. Therefore, in addition to fully financing the capital renewal requirement, the University will require approximately \$64 million a year for the next six years (adjusted by five percent per annum) to eliminate our maintenance backlog by June 30, 2017.

## Capital Renewal and Deferred Maintenance

Starting in 1997, the Legislature has made appropriations in the capital improvements program (CIP) budget to finance the University's R&M Program. Appropriations have been made to UOH 900 – System Wide Support, for Capital Renewal and Deferred Maintenance (CRDM).

We would like to thank the Legislature for its support of the CRDM project. Due to appropriations from the 2009 and 2010 Legislatures, we were able to reduce our general funded maintenance backlog by approximately \$30 million.

### **University of Hawai'i Maintenance Backlog**

Source of Maintenance	Fiscal Year	
	2009	2010
General Funded	337,883	307,608
Special Funded	30,490	26,478
Total Backlog	368,373	334,086

## University of Hawai'i CRDM Request for Fiscal Biennium 2011-2013

The University of Hawai'i CIP Budget for Fiscal Biennium 2011-2013 includes a total of \$257.120 million for its Capital Renewal and Deferred Maintenance project. Of this amount, \$141.441 million is required for capital renewal, and \$115.679 million initiates the University's six-year plan to eliminate its maintenance backlog. The following table provides a breakdown of the University's CRDM request and projected six year needs.

**University of Hawai'i**  
**Capital Improvements Program**  
**Fiscal Biennium 2011-2013**  
(Amounts in Thousands of Dollars)  
**Systemwide Capital Renewal and Deferred Maintenance**  
**General Funded Facilities**

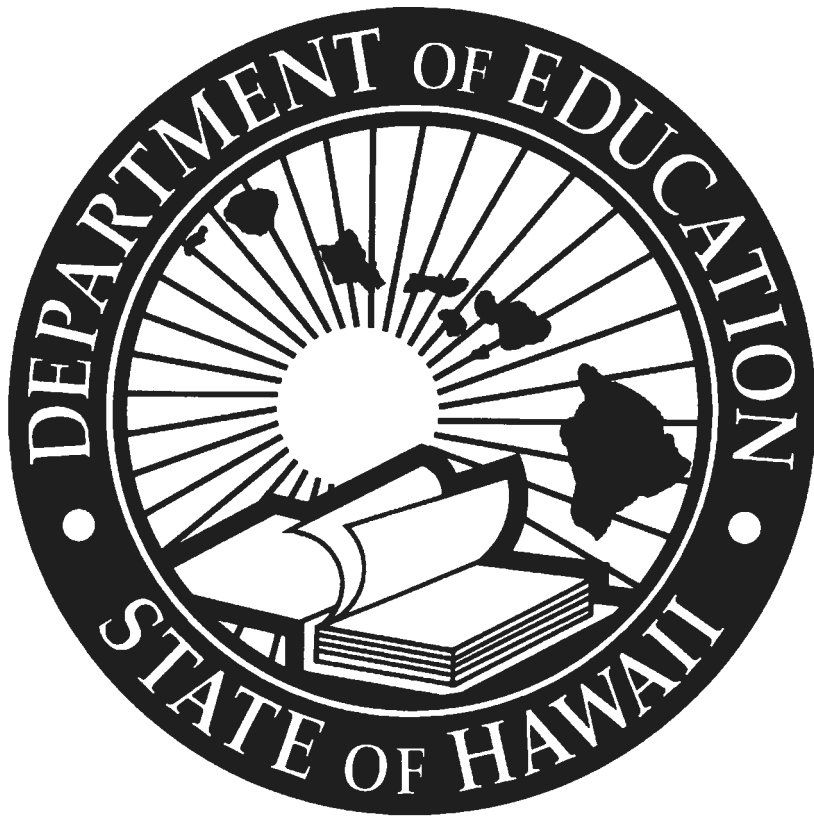
Campus	Budget Period		Future Years			
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>University of Hawai'i at Mānoa</b>	98,759	86,072	68,024	96,069	62,791	94,516
Capital Renewal	59,013	44,339	24,204	50,059	14,479	43,789
Reduction of Backlog	39,746	41,733	43,820	46,011	48,311	50,727
<b>University of Hawai'i at Hilo</b>	7,076	6,696	7,128	10,868	7,173	8,836
Capital Renewal	3,132	2,555	2,780	6,302	2,378	3,802
Reduction of Backlog	3,944	4,141	4,349	4,566	4,794	5,034
<b>University of Hawai'i–West O'ahu</b>	418	16	17	17	18	507
Capital Renewal	418	15	16	17	17	506
Reduction of Backlog	1	1	1	1	1	1
<b>University of Hawai'i–Community Colleges</b>	35,277	22,805	27,856	29,117	40,435	32,036
Capital Renewal	22,539	9,430	13,812	14,371	24,952	15,779
Reduction of Backlog	12,738	13,375	14,044	14,746	15,483	16,257
<b>University of Hawai'i–Systemwide Totals</b>	<b>141,531</b>	<b>115,589</b>	<b>103,025</b>	<b>136,072</b>	<b>110,416</b>	<b>135,895</b>
Capital Renewal	85,102	56,339	40,812	70,748	41,827	63,876
Reduction of Backlog	56,429	59,250	62,213	65,324	68,590	72,019

Sources:

- Facility Renewal Reinvestment Study, 2010 Update (Pacific Partners Consulting Group)
- Capital Renewal and Deferred Maintenance Allotment Request dated July 6, 2010 (Office of Capital Improvements)

In closing, we note that facilities provide the centerpiece around which all other educational activities exist at the University of Hawai'i, whether it is a classroom, laboratory, office, sporting event, student housing, or library. The total replacement value of all University of Hawai'i facilities is estimated at over \$4 billion. Therefore, it is imperative to reinvest in the University's physical plant to ensure that the physical infrastructure facilitates the mission of our institution.

Thank you for this opportunity to brief you on the University of Hawai'i's R&M Program. We have representatives for the University of Hawai'i at Mānoa, University of Hawai'i at Hilo, University of Hawai'i–West O'ahu, and the University of Hawai'i–Community Colleges here to answer any specific questions you may have regarding our R&M program.



**INFORMATIONAL BRIEFING  
TO THE  
SENATE COMMITTEE ON WAYS AND MEANS**  
February 17, 2011

DEPARTMENT OF EDUCATION  
OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

## **FACILITIES DEVELOPMENT BRANCH DEPARTMENT OF EDUCATION**

### **Overview**

Plans, coordinates, organizes, directs, and controls a variety of engineering and architectural services including land acquisition, planning, designing, project management, construction inspection, design & construction quality control, contracting, construction management, and equipping facilities and improvements for the Department of Education.

### **Planning Section**

Administers and directs the planning activities of the department's schools and other facilities. Provides land acquisition coordination and planning services; formulates and implements the department's CIP and R & M budget requests; reviews office space needs, and conducts other studies as directed.

### **Project Management Section**

Provides in-house and consultant design services for new facilities and repairs or alterations of existing facilities. Generally, the Project Management Unit I performs in-house design of engineering projects; Project Management Unit II provides project management services; and Project Management Unit III conducts in-house architectural design of projects.

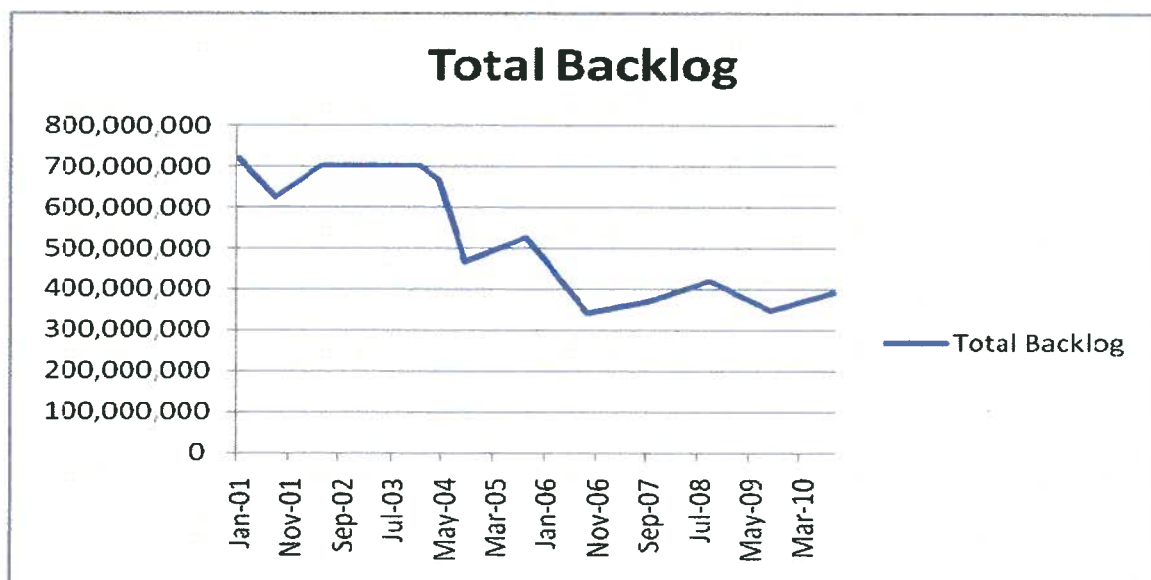
### **Construction Management Section**

Provides construction inspection; administers construction management services and contracts for construction of facilities and acquisition of furniture and equipment for such improvements; and provides services to scope work, formulates requirements, solicits bids and monitors construction activity for major R & M projects.

## STATUS OF THE REPAIR AND MAINTENANCE BACKLOG OVERALL TREND

January 2001	\$720,000,000
August 2001	\$623,000,000
May 2002	\$701,000,000
December 2003	\$703,000,000
April 2004	\$666,000,000
September 2004	\$468,000,000
September 2005	\$525,000,000
September 2006	\$341,000,000
September 2007	\$370,000,000
May 2008	\$421,000,000
September 2009	\$347,000,000
September 2010	\$392,000,000

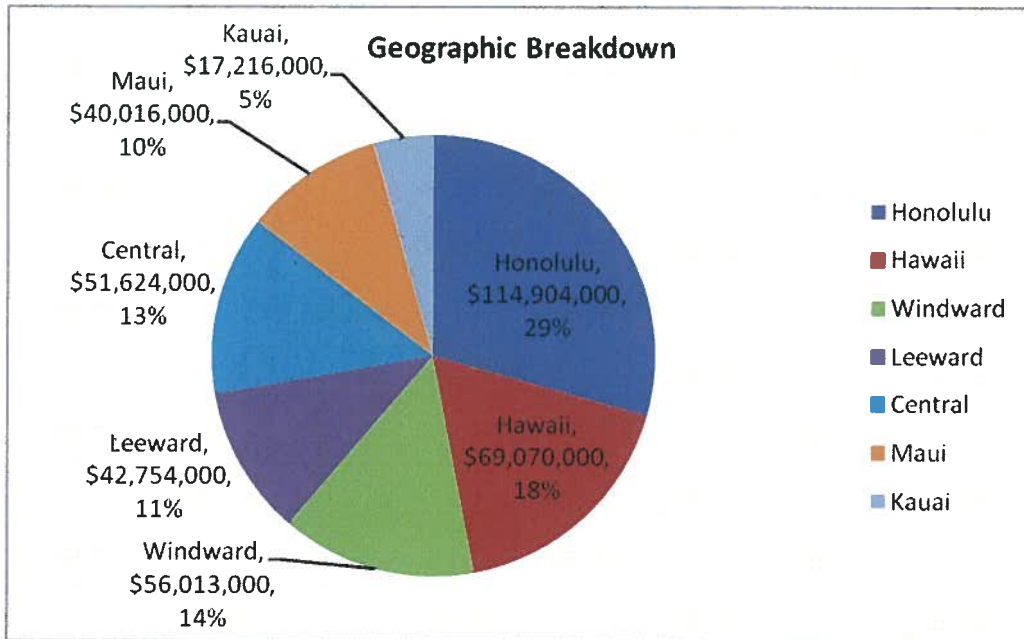
The overall improvement in the backlog total over the last ten years has resulted in a reduction of 45% since 2001. This improvement occurred in spite of the fact that the system added an average of \$60 - \$75 million to the backlog every year.



**CURRENT BREAKDOWN BY DISTRICT**  
Geographic Breakdown

A breakdown of the backlog by DOE districts indicates the following:

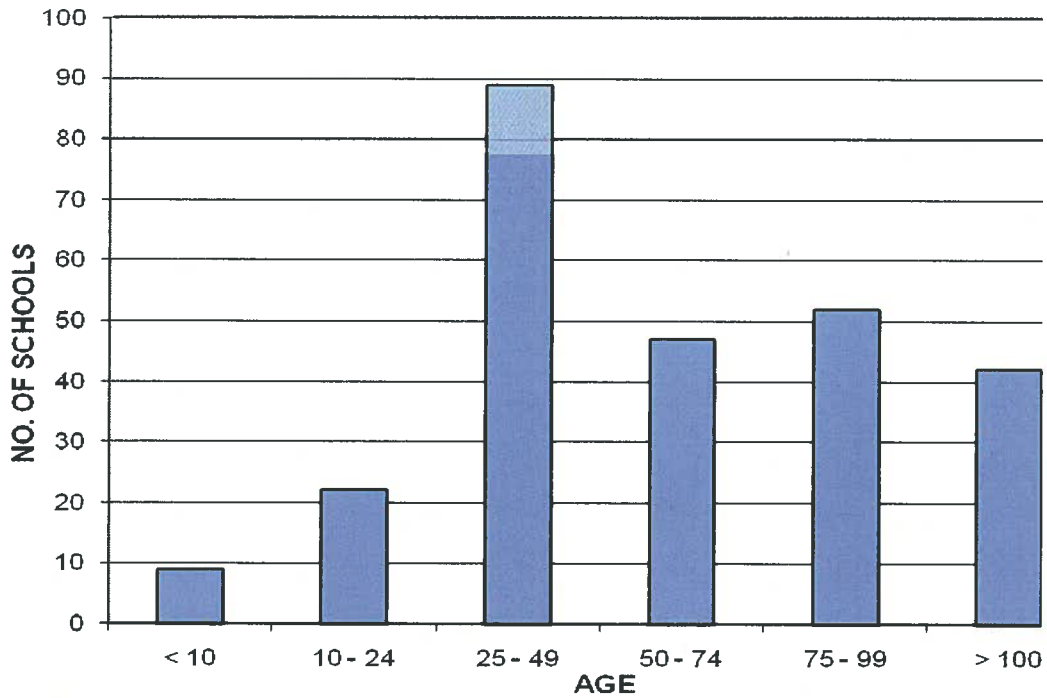
DISTRICT	# OF SCHOOLS	TOTAL BACKLOG	AVERAGE BACKLOG PER SCHOOL
HONOLULU	53 (incl 1 PCS)	\$114,904,000	\$1,947,525
HAWAII	43 (incl 1 PCS)	\$69,070,000	\$1,534,889
WINDWARD	31 (incl 1 PCS)	\$56,013,000	\$1,806,871
LEEWARD	42 (incl 1 PCS)	\$42,754,000	\$1,042,780
CENTRAL	42	\$51,624,000	\$1,173,273
MAUI	30 (incl 1 PCS)	\$40,016,000	\$1,251,500
KAUAI	16	\$17,216,000	\$1,076,000



## AGE OF HAWAII'S PUBLIC SCHOOLS

- 16% older than 100 yrs
- 20% 75 to 99 yrs old
- 18% 50 to 74 yrs old
- 34% 25 to 49 yrs old
- 8% 10 to 24 yrs old
- 3% less than 9 yrs old
- More than half of our schools are over 50 yrs old

## AGE OF HAWAII'S PUBLIC SCHOOLS





## **IMPACT OF AGING SCHOOLS**

- The older the schools get, the more money is required to maintain the facilities.
- Upgrades get more difficult and expensive. Examples include water and electrical systems. As these systems age and need to be replaced, the replacement cost is substantial.
- Code and regulatory requirements increase. In many of our older schools, these upgrades will involve substantial construction.
- New School: Kapolei High School, built in 2000 has a R&M backlog of \$296 thousand
- Older School: Farrington High School, built In 1941, has a R&M backlog of \$7.3 million
- The Honolulu District has the oldest inventory with an average school age of 76.8 years. It is also the district with the highest average backlog at \$1,947,525.
- The Leeward District has the newest inventory with an average school age of 40.7 years and has the lowest average backlog at \$1,076,000

## **EVOLVING NATURE OF THE WORK REMAINING**

In the past 10 years, the focus has been primarily on getting the backlog under control and to begin to see a trend toward improvement.

The Repair and Maintenance Backlog is comprised primarily of two types of work:

1. **Recurring:** this is the type of work that needs to be done a number of times during a building's life. This includes reroofing, painting, carpeting and flooring, pavements, air conditioning and lighting.
2. **Non-recurring:** these are projects that typically need to be done only once in a building's life. This includes most of the major infrastructure upgrades such as water and electrical.

Our initial focus was on bringing down the list of recurring projects. In 2001 the Whole School Classroom Renovation Program was initiated to incorporate a large amount of this work. Since the program's inception, the DOE has completed projects or has work underway at 232 schools that were 25 years or older in 2001. Once these last schools are completed, the DOE will then begin to cycle schools through when they become 25 years old, or have 25 years since the last Renovation.

Another area where the DOE has focused on is in reroofing. At one time reroofing totaled more than \$75 million. Currently, it accounts for \$38, 291,000.

## **FOCUS ON INFRASTRUCTURE**

As the recurring portion of the backlog has improved, the DOE is now focusing on major non-recurring projects involving infrastructure upgrades. These include:

- Electrical Upgrades
- Water System Upgrades
- Program Bell, Fire Alarm and Telecom Upgrades.

Although these projects are large, there are also efficiencies in combining various systems into a single merged system.

## **CAPITAL IMPROVEMENT PROGRAM (CIP)**

### **How are New Facilities Planned?**

1. Track residential developments and stay in touch with developers
2. Review six-year enrollment projections and compare to existing facilities
3. Review project requests from schools
4. Identify projects needed to address federal, state, or local compliance requirements (e.g., cesspools, gender equity, architectural barrier removal)
5. Identify other needed projects (e.g., replacement buildings, drainage improvements) via field visits

### **How are CIP Projects Prioritized?**

- DOE uses a matrix to rank projects by priority:
  - Health and safety.
  - Classroom needs.
  - Support facility needs (e.g., cafeterias, libraries, administration)
  - State and district office needs
- Board of Education (BOE) determines which projects to include in the BOE Capital Improvements Program (CIP) budget request. The total amount of the request reflects both the DOE's needs and the economic climate of the state. Approved budget request is then to Governor for inclusion in Executive Budget submitted to the Legislature
- Executive (governor) determines which projects to include in the Executive Branch CIP budget. In recent years, the Governor has limited DOE's CIP request to \$45-\$50 million.
- Legislature determines which projects to include in the Legislative CIP budget.
- Once Budget is passed by the Legislature and signed by the Governor, DOE meets with the Department of Budget and Finance (B&F). B&F informs DOE how much it will release. DOE then determines the priority and submits requests to B&F in that order. This process has tremendously improved the allotment process in that the DOE has the authority to determine priorities and B&F will release funding on that basis. This has almost eliminated uncertainties and delays in getting funds released.

CIP Priority Matrix - Department of Education

Rev. 7/12/06

	Category A Health, Safety, Security, and Emergency	Category B Classrooms	Category C Support Facilities	Category D State & District Facilities
1	<p>Serious threat to life and property; severe health problems. Emergency needs requiring immediate response. Requirements or citations from regulatory agencies for immediate action.</p> <p>Replace building destroyed by fire or other unforeseen causes (supplement insurance funds).</p>	<p>Construct classrooms in new or existing schools to accommodate large enrollment increase—need within 3 years (required support facilities may be included in increment).</p> <p>Replace classrooms deteriorated beyond repair and maintenance.</p> <p>Land acquisition required for growth.</p> <p>Construct classrooms necessary to fully complete a new school as designed.</p> <p>Construct classrooms in new or existing schools where 50% or more of the total cost will come from private funding, provided the matrix designation would have been 4B or higher without consideration of the private funding.</p>	<p>Construct P.E. locker/showers, playfield, playcourts (minimal requirements for school), parking stalls, if none available</p> <p>Provide temporary administration building, library, serving kitchen, dining room.</p> <p>Replace P.E. locker/shower deteriorated beyond repair and maintenance.</p> <p>Provide permanent dining room for enrollment exceeding 400 students.</p> <p>Telecommunication, electrical, and program bell improvements.</p> <p>Construct support facilities necessary to fully complete a new school as designed.</p> <p>Construct support facilities where 50% or more of the total cost will come from private funding, provided the matrix designation would have been 3C or higher without consideration of the private funding.</p>	
2	<p>Less serious health or safety problems. Compliance with federal, state and county laws and ordinances. Must be done within a reasonable time.</p>	<p>Renovate or construct special classrooms at secondary schools - below 70% of standard and lacking proper equipment.</p> <p>Renovate or construct classrooms for multiple disabled or mentally retarded (below 70% of standard).</p> <p>Air conditioning for computer labs - all grade levels.</p> <p>Renovate classrooms to meet current needs, if the classrooms were originally designed for an educational program that is no longer appropriate.</p>	<p>Construct or replace library, administration building - enrollment exceeding 600 students within 2 years (below 70% of standard).</p> <p>High school athletic fields (baseball, football, track) for practice purposes.</p> <p>Elementary playcourts - no playcourts on campus or adjoining park.</p> <p>Gymnasiums - high school (none available).</p> <p>Dining rooms - permanent facilities for schools exceeding 400 students.</p>	<p>Major cost benefit savings to state or district programs.</p>
3	<p>Moderate health, safety, or security problems - no critical time frame. May be programmed - no danger to life or property.</p>	<p>Renovate or construct regular classrooms below 70% of standard. Renovate or construct special classrooms below 70% of standard or lacking properly built-in equipment (grades 7-12).</p> <p>Replacement of portable classrooms exceeding 10% of design enrollment.</p>	<p>Replace P.E. locker/showers over 40 years old and less than 70% of standard.</p> <p>Construct or replace library, administration building, kitchen-dining room - less than 70% of standard.</p> <p>Covered playcourts - exceeds 100 inches mean annual rainfall.</p> <p>Improvements - Includes grace period for PCNC and A+ program.</p> <p>Athletic locker/showers; athletic trainer's room.</p> <p>Additional parking stalls to meet standard.</p>	
4	<p>Secondary health, safety, or security problems.</p>	<p>Construct special classrooms required for schools with enrollment less than 400 students in secondary grades.</p> <p>Renovate classrooms not covered in Parts 1, 2, or 3.</p> <p>Replace classrooms not covered by above - no condition to age but substandard.</p>	<p>Construct kitchen-dining room, library, administration building - not covered in Parts 1, 2, or 3.</p> <p>Replace library, cafeteria, administration - not covered in Parts 1, 2, or 3.</p> <p>Covered playcourts - not covered above.</p> <p>Bleachers, lights, track for competition.</p> <p>Swimming pools.</p> <p>Other improvements - directly benefiting students.</p> <p>Rifle range.</p>	<p>Improvements to state or district programs.</p>
5	<p>Occasional and secondary health, safety, or security problems.</p>	<p>Construct classrooms in new or existing schools to accommodate enrollment increase - need 4 years and beyond.</p>	<p>Replace or construct other nonclassroom facilities.</p> <p>Other improvements - no direct benefit to students.</p> <p>Student centers.</p>	

## Appendix C

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE DEPARTMENT OF EDUCATION  
AND  
THE DEPARTMENT OF BUDGET AND FINANCE  
FOR THE ALLOTMENT OF CAPITAL IMPROVEMENT PROJECT FUNDS  
AND OTHER FISCAL MATTERS**

This Memorandum of Understanding (MOU) is entered into on this 28th day of June, 2006, between the DEPARTMENT OF EDUCATION, hereinafter referred to as "DOE," and the DEPARTMENT OF BUDGET AND FINANCE, hereinafter referred to as "B&F,"

WHEREAS, Act 51, Session Laws of Hawaii (SLH) 2004, provided that all the rights, powers, functions, duties, and resources of the B&F relating to the funding of collective bargaining agreement increases; and securing, administering, use, and expending of federal funds and other aid, including their custodial supervision, be transferred to the DOE effective July 1, 2006; and

WHEREAS, the DOE and B&F have agreed that these functions should remain with B&F and that the processes for these and other fiscal functions can best be improved through the mutual agreements as set forth in this MOU.

### AGREEMENT

NOW, THEREFORE, the parties hereby agree to the following:

#### **I. PURPOSE**

The purpose of this Memorandum of Understanding ("MOU") is to establish procedures that will improve the flow of information and operations between the parties governing fiscal operations.

Both parties are committed to improving transparency, understanding and knowledge between the parties for the fiscal functions.

#### **II. TERMS OF UNDERSTANDING**

##### **A. CIP Allotment Process**

1. B&F and the DOE agree to use the Board of Education ("BOE") CIP Priority List as the basis for determining CIP priorities for allotments.

- a. The DOE shall establish its priority list of CIP projects for each fiscal year, as approved by the BOE. The CIP Priority List shall be submitted to B&F ten (10) days prior to the meeting specified in 3. below.
  - b. The parties agree that the DOE, in its sole discretion, can elect not to implement a project on the CIP Priority List. In addition, the parties agree that the DOE may request that a project be allotted out of sequence from the CIP Priority List to address health, safety, and welfare concerns. Further, the parties recognize that the Governor has the sole discretion to authorize release of funding for a project. If the Governor does not authorize allotment of moneys for a CIP project on the CIP Priority List, the DOE may then submit additional allotment requests following the sequence in the CIP Priority List.
2. Based on this priority list, the DOE shall submit a written annual allotment and expenditure plan request to B&F regarding the DOE CIP projects for the fiscal year ten (10) days prior to the meeting specified in 3. below.
3. Not less than fifteen (15) days prior to the beginning of each fiscal year, B&F and the DOE shall meet to discuss the following:
  - a. The total amount of moneys estimated to be available for the DOE CIP projects from all sources, including, but not limited to, general funds, special funds, general obligation bond funds, and State Educational Facilities Improvement ("SEFI") Special Fund moneys (collectively, the "DOE CIP Moneys").
  - b. Procedures and schedule for the allotment of the DOE CIP Moneys. Both parties agree to respond to the requests from the other in a reasonable time.
4. The parties may meet subsequently, as may be necessary, to address:
  - a. Adjustments to the total amount of moneys estimated to be available for the DOE CIP projects due to changes in the financial condition of the State.
  - b. Modification of procedures and schedule for the allotment of the DOE CIP Moneys.
  - c. Other issues and concerns related to CIP allotments.
5. The DOE can rely on the B&F estimates of DOE CIP Moneys available in preparing its CIP allotment requests unless informed by B&F that the probable receipts from taxes or any other sources of funding that are the

source of the DOE CIP Moneys will be less than anticipated, and that consequently the amounts available for the remainder of the term of the appropriations for the DOE CIP projects will be less than the amounts originally estimated. B&F shall inform the DOE regarding any changes in economic conditions that will impact the availability of the DOE CIP Moneys. DOE will submit an update of its allotment and expenditure plan for its CIP projects based on changing economic conditions and the amended amount of DOE CIP Moneys.

B. Deposits of Funds into SEFI

1. Annually -- Not less than fifteen (15) days prior to the start of each fiscal year, DOE shall provide B&F with a projection of its monthly SEFI expenditures for the upcoming fiscal year.
2. Monthly -- In the format attached as Exhibit 1, DOE shall submit to B&F on a monthly basis, or as necessary, a request to transfer general obligation bond CIP funds into the SEFI account. In submitting the monthly request, DOE shall take into account:
  - a. the prior amount of actual funds transferred into and expended from, the SEFI account;
  - b. the actual ending balance of the SEFI account at the end of the prior month; and
  - c. updated expenditure projections for the month in which funds are being requested. As such, the actual amount of funds requested on a monthly basis may differ from the annual monthly projections submitted prior to the beginning of the fiscal year.
3. B&F shall review the monthly request and, if deemed appropriate, submit a journal voucher to transfer the requested amount into the SEFI account within five (5) business days of the receipt of the request.
4. B&F and DOE agree that a reasonable contingency balance in the SEFI account is appropriate in the event actual expenditures exceed the estimated amounts. B&F and DOE shall meet to establish an appropriate contingency level, which in part shall take into account the projected monthly expenditures.
5. In the event of a shortfall in the SEFI account balance, the DOE may request a supplemental transfer of funds into the SEFI account in addition to the monthly request.

C. Debt Service Calculation

On an annual basis, and as may be requested by the DOE, B&F shall provide and explain the amount of debt service costs allocated to the DOE at mutually agreed upon times.

D. Employee Benefits Calculation

With the assistance of B&F, the DOE will learn how to and practice calculating for its employees the employer's share of contributions due for pension accumulation, health benefits, Social Security, and Medicare costs at mutually agreed upon times.

E. Funding of Collective Bargaining Increases

For collective bargaining appropriation bills affecting DOE employees, B&F will separately display the salary and benefit appropriations. With the assistance of B&F, the DOE will learn how to and practice calculating the applicable costs for its employees relating to collective bargaining at mutually agreed upon times.

F. Federal Funds

The DOE shall request an increase in its federal funds expenditure ceiling for federal funds only when the expenditure of such federal funds would cause the DOE to exceed its total federal funds expenditure ceiling.

G. Other Fiscal Issues

Prior to the beginning of each fiscal year the DOE and B&F will meet to identify fiscal issues that either party would like to discuss during that fiscal year.

**III. PERIOD OF AGREEMENT AND OTHER TERMS**

- A. This MOU shall be effective from July 1, 2006, and shall be automatically extended without further action by the DOE or B&F each July 1, unless terminated in accordance with the terms of this MOU.
- B. Either party may terminate this MOU at any time for any reason at least sixty (60) days' written notice of such termination; provided that the termination of this MOU shall not be effective until B&F and the DOE have mutually agreed to a replacement process for the allotment of CIP moneys.
- C. Any changes or modifications to this MOU shall be by mutual written agreement of the parties.

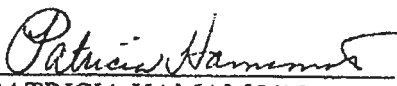


- D. In the event of a conflict with any written budget execution memorandum or policy, the terms of this MOU shall be controlling.

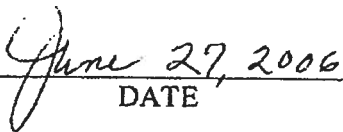
IN WITNESS WHEREOF, the parties hereto, by their authorized representative, have executed this MEMORANDUM of UNDERSTANDING on the day and year first written above.

Department of Education

Department of Budget and Finance

  
\_\_\_\_\_  
PATRICIA HAMAMOTO  
Superintendent

  
\_\_\_\_\_  
GEORGINA K. KAWAMURA  
Director

  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
DATE

## **REPAIR AND MAINTENANCE PROGRAM**

- DOE district level building inspectors / engineers (DAGS on Neighbor Islands) identify projects in coordination with each school and add them to school's R&M backlog project list.
- DOE district level building inspectors/engineers (DAGS on Neighbor Islands) prioritize projects in coordination with each school, statewide, from the September to December before the start of the ensuing Legislative Session.
- DOE's total R&M budget request is broken down into lump sum amounts for each district. The amounts are calculated with consideration for the enrollment, square footage, and age of the schools within each of the districts.
- School project priorities are budgeted within each of the district lump sum amounts in coordination with school complex level representatives and DOE district level building inspectors/engineers (DAGS on Neighbor Islands).
- Budgeted projects are taken off the school's R&M backlog project list.
- DOE requests the allotment of R&M funds on a lump sum basis.
- Projects start upon the Executive Branch approvals of the lump sum allotments.

## **PROJECT DELIVERY SYSTEM**

### **Requesting a Project**

Schools can request a project (either CIP or R&M) in a number of ways:

- Go to website
  - <http://obs.k12.hi.us>
- Consolidated Request Form BJ2A
- Submit to Inspector, District Manager, or DAGS (on neighbor islands)

### **Planning and Funding**

- Once a request is received, FDB Planning Section will evaluate each request to determine its category and relative severity.
- Once category and severity are determined, the request is then put into FDB's backlogs (CIP or R&M).
- Each year FDB evaluates all requests on its backlogs and determines what requests will be submitted for funding. This is based upon the previously outlined procedures.
- This budget request is then sent for approval by the Board of Education (BOE). Once approved it is submitted to the Governor for inclusion in the Executive Budget.

### **Allotment and Project Initiation**

- Once budget is signed, DOE will meet with B&F. B&F will then inform the DOE how much of the appropriated funding will be released in the first half of the fiscal year in compliance with the 2006 MOU between the departments.
- DOE then prioritizes and schedules the funding requests and submits to B&F.
- Allotments are then sent in and funds released.
- DOE meets again with B&F in December to look at the second half of the fiscal year.
- Once funding is released, FDB will initiate the project, select the design consultant, if required, and schedule a meeting with project stakeholders to determine scope, schedule, etc.

- When project scope is determined, FDB will negotiate a fee with the design consultant to ensure a reasonable cost. When a fee proposal is accepted, the contract is executed.

### **Design Phase**

- Once the design contract is executed, the design work will begin. FDB will work with the school to determine the best design solution to satisfy the project requirements.
- Design Phase will typically have at least two milestones in which the school will have direct input into the design.

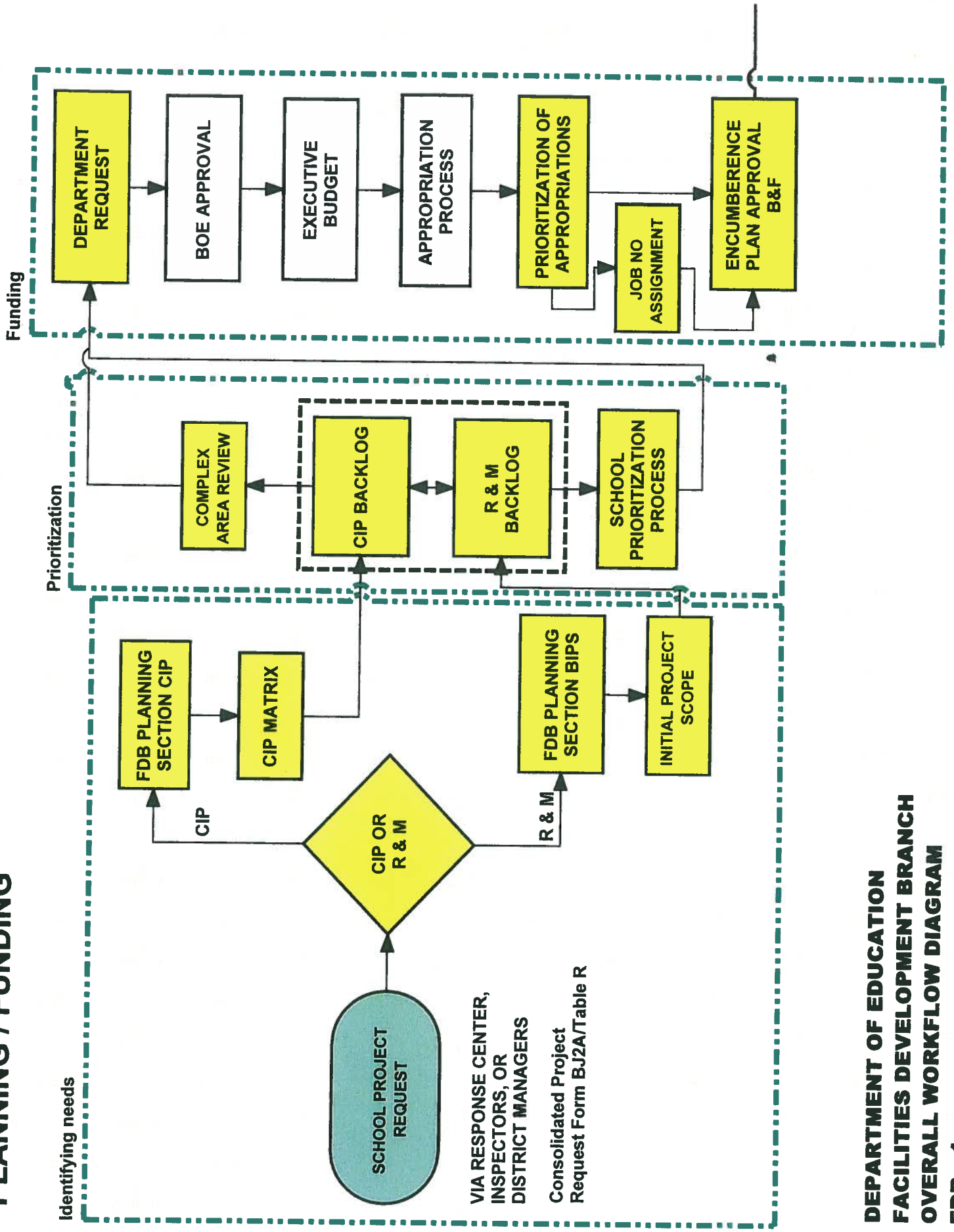
### **Bidding**

- When a design is completed, it is sent out to bid. This is done by submitting to either formal or electronic bidding systems.
- Bids are received and opened at the date and time specified in the bid documents.
- Bids are reviewed and analyzed for the lowest responsive and responsible bidder – who is declared the apparent low bidder.
- Award of contract is made to low bidder. Protests are also dealt with.
- Contract is executed.

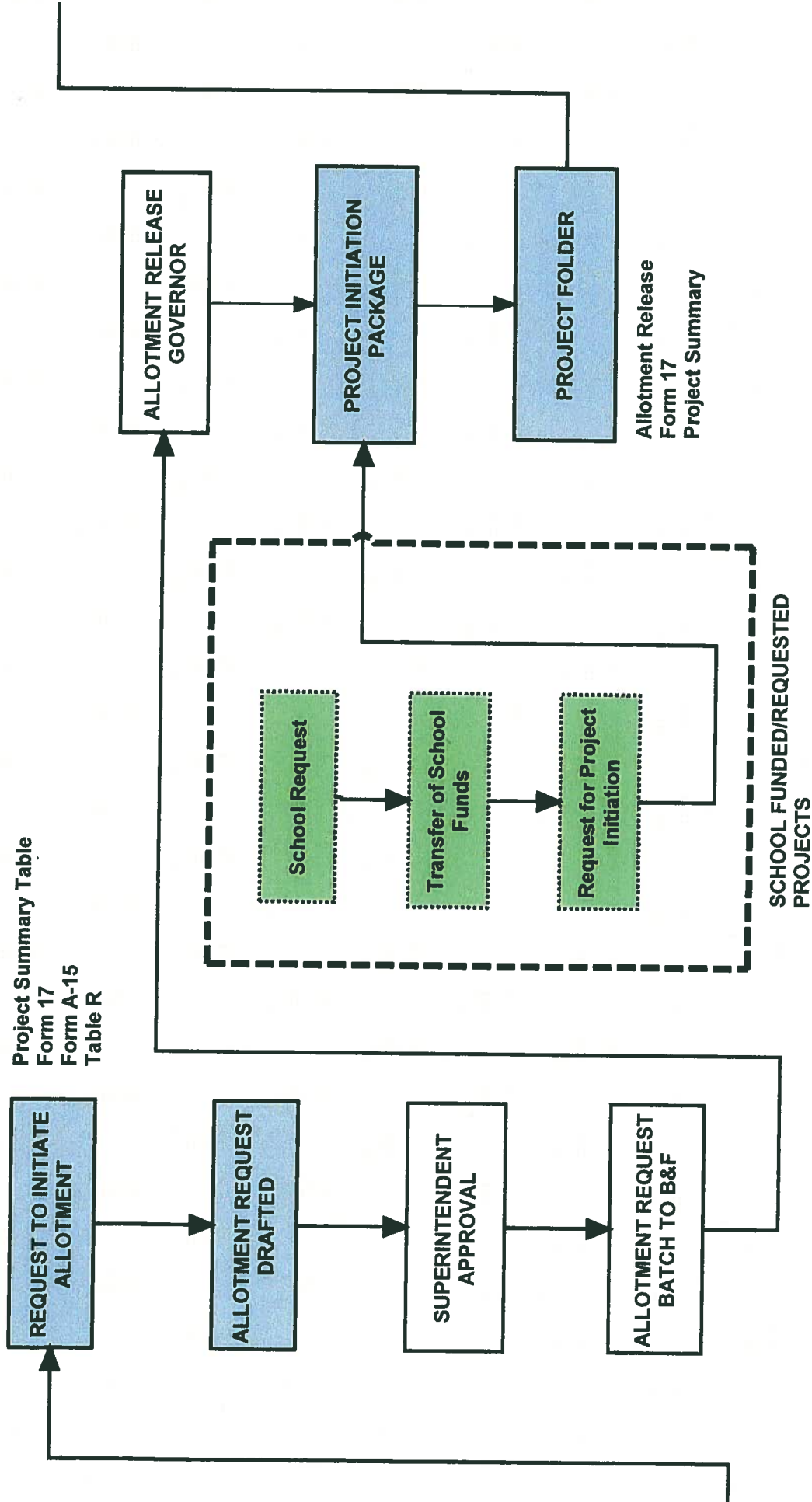
### **Construction**

- After a contract is executed, the contractor is required to submit his commencement documents.
- A Pre-Construction Meeting with the school is also held.
- Once a contractor has submitted all his commencement documents, he will be authorized to begin work via a Notice to Proceed.

# PLANNING / FUNDING

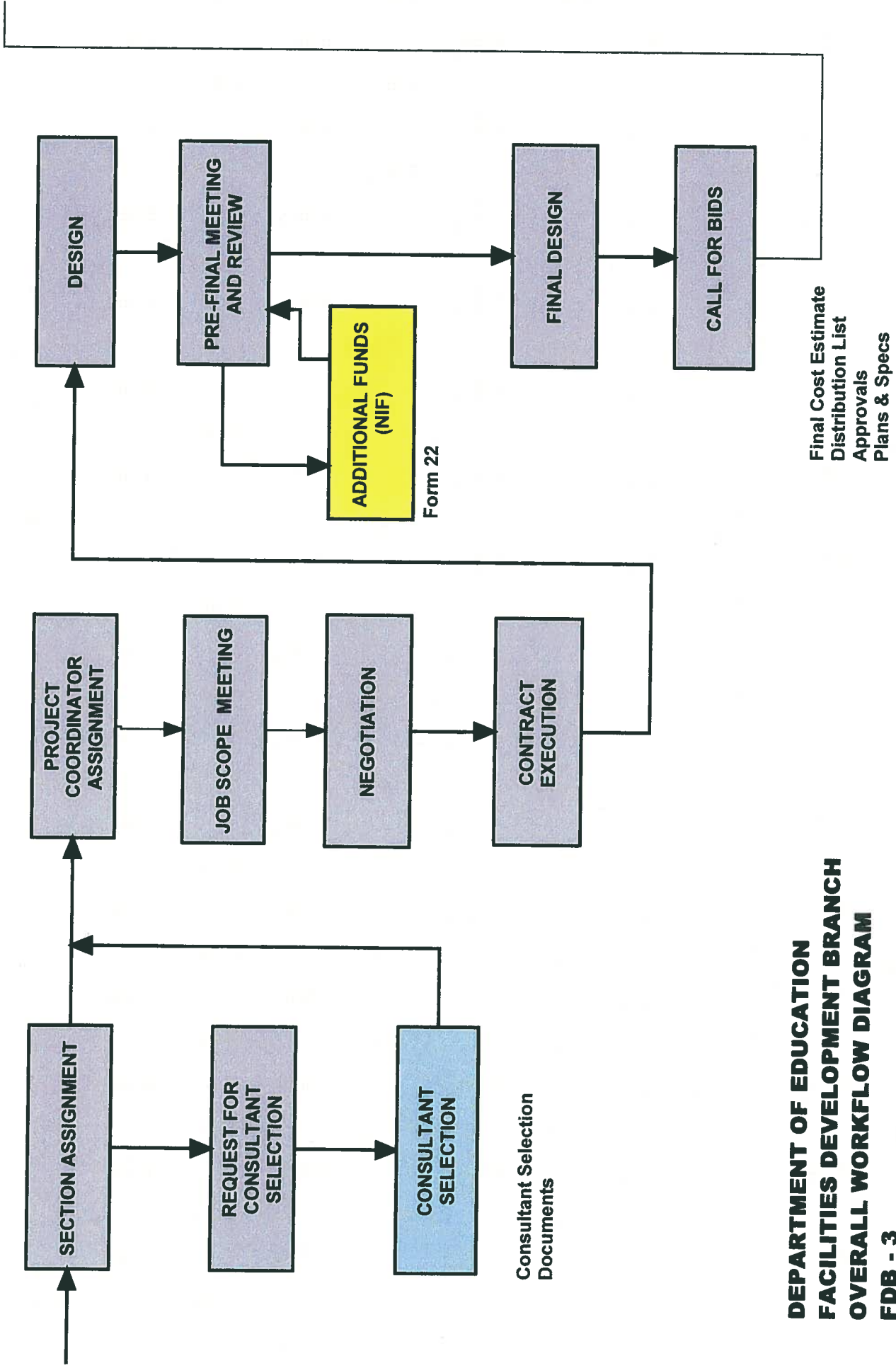


# ALLOTMENT / PROJECT INITIATION

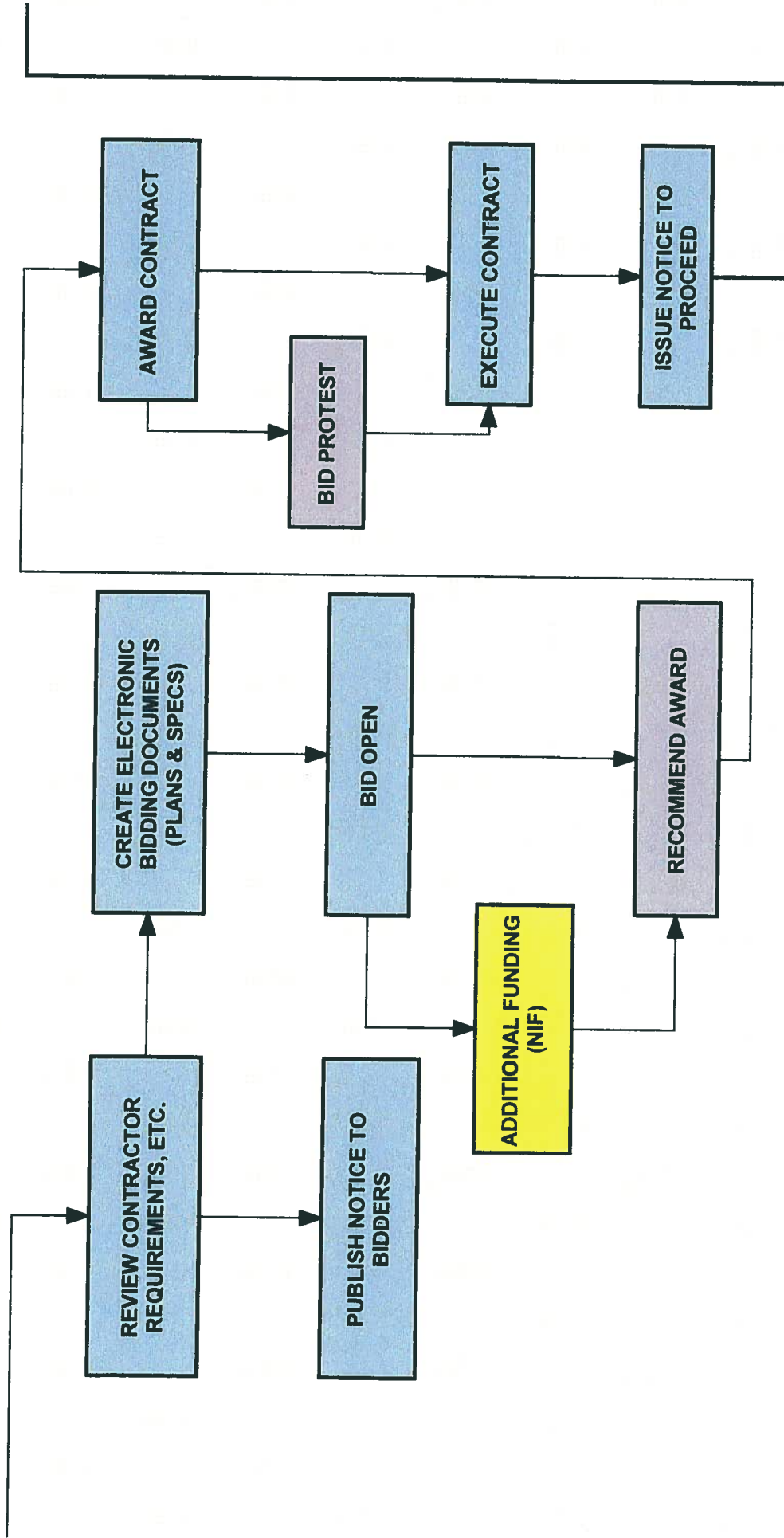


**DEPARTMENT OF EDUCATION  
 FACILITIES DEVELOPMENT BRANCH  
 OVERALL WORKFLOW DIAGRAM  
 FDB - 2**

# DESIGN PHASE



# BIDDING PHASE



Bid Abstract  
 NIF (if reqd)  
 Rec for Award



# CONSTRUCTION PHASE

