



HONOLULU AUTHORITY for RAPID TRANSPORTATION

## MINUTES

**Board of Directors Meeting  
August 4, 2011, 10:00 A.M.  
Mission Memorial Annex Conference Room  
550 South King Street  
Honolulu, Hawaii**

**PRESENT:**

Carrie Okinaga  
Ivan Lui-Kwan  
William "Buzz" Hong  
Don Horner  
Keslie Hui

Damien Kim  
Glenn Okimoto  
David Tanoue  
Wayne Yoshioka

**ALSO IN ATTENDANCE:**

Toru Hamayasu  
Gary Takeuchi  
Mark Scheibe  
Simon Zweighaft  
Frank Doyle  
Joyce Oliveira  
Lisa Hirahara  
Scott Ishikawa  
Chrystn Eads  
Laura Figueira  
Kourtney Wong

Stanley Chang  
Kekoa McClellan  
Joseph Magaldi  
Michael Levine  
Maurice Morita  
Paul Migliorato  
Kristy Shiraishi  
Andrew Robbins  
Pat Lee  
Nathaniel Kinney  
Malcolm Ahlo, Jr.

I. Call to Order by Committee Chair

At 10:02 A.M., the meeting of the Board of Directors was called to order by Board Chair Carrie Okinaga.

II. Public Testimony

No public testimony was offered.

### III. Approval of Minutes of July 21, 2011 Board Meeting

Board Member David Tanoue proposed an amendment to Section V(A) of the July 21, 2011 minutes, correcting the number of affirmative votes cast for Resolution 2011-07 from “nine” to “eight.” There being no objections, the amendment was approved, and the minutes were adopted as amended.

### IV. Report of Human Resources Committee

Board Member Keslie Hui reported that the Human Resources Committee met on July 28, 2011 to discuss the job description of the Executive Director/CEO, as well as the scope of services and search criteria for the RFP for an executive search firm. Mr. Hui also noted that the New York MTA will be conducting an executive search at the same time as Honolulu, due to the MTA head leaving for a post in Hong Kong.

#### A. Action on RFP for Executive Search Firm

Mr. Hui moved for the Board to authorize the HART staff to finalize and issue the draft executive search RFP. Board Member William “Buzz” Hong seconded the motion.

Chair Okinaga noted that the estimated RFP timeline would end in February 2012 instead of December 2011, which was the completion date originally desired by the Board.

Board Member Ivan Lui-Kwan stated that the selection of an Executive Director/CEO is one of the most important tasks of the HART Board, and that he would support the motion, provided that the timeframe be expedited as much as possible.

Board Member Don Horner asked whether the timeline can be truncated. Mr. Hui stated that there are minimum timeframes set out by the procurement process, however, the period for proposals to come back and the evaluation period could perhaps be shortened. Deputy Project Officer for Administrative Controls Frank Doyle stated that at minimum, thirty days would be required from the posting date to receive offers.

Mr. Horner proposed shifting the awarding of the Executive Search contract to mid-October such that the Notice to Proceed can be issued in mid-November. He also proposed adding more time to the end of the timeline to give the Executive Search Firm more time to evaluate candidates for the ED/CEO position. Mr. Hui proposed that the execution of the contract and the Notice to Proceed be done on the same day.

Mr. Doyle noted that the Evaluation Committee for the RFP itself is intended to consist of three HART officers and the Deputy Director of Human Resources. Chair Okinaga pointed out that after the Executive Search Firm is selected, the firm will consult with the HART Board and stakeholders such as the Mayor and members of the City Council to identify their expectations for the ED/CEO position.

Mr. Horner asked how the short list of ED/CEO candidates will be developed. Mr. Hui responded that the Executive Search Firm will come up with a list of 12 to 15 candidates, and will recommend six to the HART Board. Subsequently, the six shortlisted candidates will undergo a full battery of background checks and vetting. Mr. Horner indicated that after the search firm provides its recommendations, the HART Board will have to evaluate those six candidates, and may want to include non-Board members in the process, such as rail expert Ron Tober.

Chair Okinaga called for a vote on the motion to approve the RFP for finalization and issuance by HART staff. The motion passed unanimously, with a vote of eight in the affirmative and none in the negative.

#### V. Report of Transit Oriented Development Committee

Mr. Hong reported that the Transit Oriented Development Committee met on July 28, 2011 and heard presentations from HART staff on TOD-related provisions of the City Charter and the Memorandum of Understanding between HART and DPP. DPP staff gave a presentation on the City's role in TOD. Mr. Hong also reported that the next meeting of the TOD Committee is scheduled for September 1.

#### VI. Setting of Areas of Responsibility for Committees

Chair Okinaga presented a draft document containing guidelines on areas of responsibility for the committees of the HART Board.

Mr. Lui-Kwan requested further time to refine the areas of responsibility for the Audit/Legal Matters Committee. Mr. Tanoue requested that the TOD Committee be tasked with specifically overseeing the efforts of the Transit Authority as they relate to TOD.

Mr. Horner proposed that these areas of responsibility be incorporated into the bylaws. He further proposed that the development of the Balanced Scorecard be delegated to the Finance Committee, but noted that the entire Board will have input on the Balanced Scorecard. Chair Okinaga stated that the committee areas of responsibility will be placed on the next Board agenda for further consideration.

#### VII. Discussion on Development of "Balanced Scorecard"

Mr. Horner recommended that the Board seek feedback on the Balanced Scorecard based on the Business Plan at the next meeting. He also recommended that the Board seek the opinions of the Mayor and City Council on the development of the Balanced Scorecard.

Mr. Hui recommended that the Balanced Scorecard be limited to 15-20 key metrics for the purposes of guiding management, and suggested that individual committees be permitted to develop supplemental scorecards for more detailed evaluation.

Chair Okinaga recommended that the development of a Balanced Scorecard be placed on the next Board agenda.

#### VIII. Report of the Interim Executive Director

Chair Okinaga observed that the Board would likely have many questions about the Core Systems procurement, and noted that the Interim Executive Director would be addressing that in his report. She stated that the Board will have ample opportunities to continue discussing this procurement in the future, and that future Board meeting agendas will include an item for Executive Session to allow the Board to discuss sensitive matters such as this, as appropriate. She further stated that she did not think the Board would need to enter into Executive Session (Agenda Item X) at this particular meeting.

Deputy Corporation Counsel Gary Takeuchi provided an update on and timetable for the DCCA hearing process for the Core Systems procurement protest. He recommended that the Board wait for the process to conclude, noting that a decision by the Hearings Officer was expected no later than August 15.

Mr. Lui-Kwan stated that it is imperative that HART have an understanding of the decision of the DCCA hearings officer as soon as possible, and recommended that the Audit/Legal Matters Committee take up the matter soon after the DCCA hearings officer issues a decision. Mr. Hong requested information on the history of the bidding process for the Core Systems contract. Mr. Lui-Kwan requested public record information on the criteria used to evaluate the proposals.

Interim Executive Director Toru Hamayasu stated that due to the hearings before the DCCA there are restrictions as to what information can be publicly discussed, but that he would try and cover general information about the procurement and what financial information was requested from all offerors in the RFP. He stated that the Core Systems RFP consisted of two parts. RFP Part 1 requested information on Offerors' financial capacity, experience, level of project understanding, and proposed team organization. Mr. Hamayasu also reported that RFP Part 1 required Offerors to submit detailed financial information and put up a bid bond at the time they submitted their proposals in RFP Part 2.

Mr. Lui-Kwan asked whether past performance was indeed evaluated in the Core Systems RFP. Mr. Horner noted that RFP Part 1 included past performance and experience as evaluation criteria.

Mr. Horner asked about the bonding requirements with which winning bidders must comply. Mr. Hamayasu replied that, in Part 1, Offerors were required to obtain letters from surety or insurance companies which meet certain ratings by nationally recognized rating agencies.

Mr. Hamayasu also stated that there are three types of bonds involved in the RFP process: bid bonds, performance bonds, and payment bonds.

Mr. Hui asked about the degree to which construction contracts are covered by bonds. Mr. Hamayasu replied that per State law, 100% of construction costs are bonded.

Mr. Horner asked how much of the vehicular costs are covered by a surety bond. Mr. Hamayasu replied that there is a single performance bond for the contract, the amount of which is determined by various technical considerations. Specifically the vehicle procurement portion of the contract was determined to contribute 15% of the vehicular costs to the total bond amount, which is sufficient to cover the portion of the vehicular fleet being manufactured at any one time.

Mr. Horner asked about the interoperability of one Offeror's vehicles on another Offeror's system. Chief Project Officer Simon Zweighaft replied that such a scenario is not inconceivable. Mr. Zweighaft also followed up on Mr. Hamayasu's discussion of the bonding requirements, and noted that generally speaking, in a contract the size of the Core Systems procurement, the performance bond would represent about half the value of the entire design, build, operate, and maintain cost.

Mr. Hamayasu informed the Board that the City Council's Transportation Committee meeting would be meeting that afternoon, and would be discussing HART's informational correspondence to the City Council regarding properties to be acquired along the route. Mr. Hamayasu also indicated that he had provided responses to certain City Council members' requests for information on the number and salaries of HART employees.

#### IX. Briefing on FTA New Starts Process and Requirements

Mr. Hamayasu delivered a presentation on the FTA's New Starts program, adapted from the June 2011 APTA Rail Conference New Starts and Small Starts Workshop. Mr. Hamayasu's portion of the presentation covered an overview of the New Starts Program and the project development process. GEC Deputy Project Manager Mark Scheibe continued the presentation, covering the New Starts Funding Process and the New Starts Evaluation and Rating Process.

Mr. Lui-Kwan asked if recent congressional spending cuts will affect the availability of funding for the FFGA. Mr. Scheibe replied that the impact will be hard to predict. He did note that while the FTA has occasionally spread out the payments pledged in an FFGA over time, they have always delivered the entire FFGA total to project sponsors.

X. Adjournment

Having no other pending business, Chair Okinaga called for the meeting to be adjourned until the next scheduled Board meeting, to be held at Kapolei Hale on August 25, 2011. There being no objections, the meeting was adjourned at 12:36 p.m.

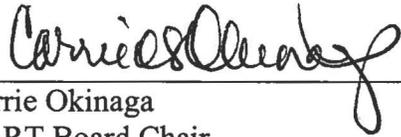
Respectfully Submitted,



---

Tyler Dos Santos-Tam  
Board Administrator

Approved:



---

Carrie Okinaga  
HART Board Chair

AUG 25 2011

---

Date