



HONOLULU AUTHORITY for RAPID TRANSPORTATION

MINUTES

**Joint Meeting of the
Audit/Legal Matters Committee
and the Project Oversight Committee
Mission Memorial Annex Conference Room
550 South King Street, Honolulu, Hawaii
August 18, 2011, 9:00 AM**

PRESENT:

Ivan Lui-Kwan
Damien Kim
Carrie Okinaga

Glenn Okimoto
Wayne Yoshioka
William "Buzz" Hong

ALSO IN ATTENDANCE:

Toru Hamayasu
Gary Takeuchi
Joyce Oliveira
Al Lardizabal
Joseph Magaldi, Jr.
Paul Migliorato
Lorrie Stone
Matt Robertson

Michael Levine
David Wilson
Laura Figueira
Kekoa McClellan
Gino Antonello
Russell Honma
Andrew Robbins

I. Call to Order

At 9:12 A.M., the Joint Meeting of the Audit/Legal Matters Committee and the Project Oversight Committee was called to order by Audit/Legal Matters Committee Chair Ivan Lui-Kwan.

II. Public Testimony

Mr. Kim called for public testimony. No public testimony was offered.

III. Briefing and Discussion on Core Systems Procurement

Deputy Corporation Counsel Gary Takeuchi provided information on the outcome of the hearings before the DCCA related to the Core Systems Procurement.

Mr. Lui-Kwan stated that he had read the hearing officer's written decisions and further stated his impression that the hearings officer had produced a thorough decision in regard to the Sumitomo case.

Mr. Lui-Kwan asked about the process and timeline for dissatisfied bidders in Circuit Court and asked about the standard of review at the Circuit Court level. Mr. Takeuchi replied that the Circuit Court would act in this instance as an Appellate Court, and would restrict its review to the DCCA hearing. Mr. Takeuchi also stated that parties before the Circuit Court would receive a briefing schedule, which would set out a timeline for briefs and oral arguments.

Project Oversight Committee Chair Damien Kim asked whether a judge could impose a stay on the project. Mr. Takeuchi replied that after the DCCA hearing was completed, the stay imposed by the procurement code was lifted. Mr. Takeuchi stated that a party could seek a stay in the court system by filing a motion, but no party has done so yet.

Mr. Kim asked what the next steps might be for HART following an appeal by a dissatisfied bidder to the Circuit Court. Mr. Takeuchi replied that HART's next steps would depend on the Circuit Court's ruling.

Mr. Lui-Kwan asked about Sumitomo's claims regarding the 30 year life cycle analysis. Mr. Hamayasu replied that the 30 year life cycle analysis was not part of the RFP.

Mr. Hamayasu explained to the committee that, contrary to what was alleged in recent newspaper articles, past performance was indeed a consideration in Part 1 of the RFP.

Ms. Okinaga asked what additional information is being requested of Ansaldo Honolulu JV. Mr. Hamayasu replied that updates relating to Ansaldo's financial capacity are being requested to ensure there are no substantive changes to their ability to carry out the project.

Board Member Glenn Okimoto asked whether changes to Ansaldo's financial capacity will affect their ability to obtain a performance bond. Mr. Hamayasu replied that their ability to obtain a bond would be the "acid test" as to whether they had the financial capacity to perform the contract, and that the bonding amount requested should be sufficient for the contract.

IV. Adjournment

Mr. Lui-Kwan called for any further public testimony. Russell Honma offered testimony in which he expressed his concerns about a possible lawsuit on the Core Systems procurement in Circuit Court and inquired about the FTA's position on the Core Systems procurement process.

Gino Antonello, Sumitomo Corporation of America ("SCOA") Vice President, offered testimony in which he explained SCOA's position on the DCCA Hearings Officer's decision, expressed SCOA's concerns about Ansaldo's financial capability, and stated that SCOA intends to make itself available as an alternative option.

Having completed all of the joint Committee business, Mr. Lui-Kwan called for the Joint Meeting to be adjourned. There being no objections, the meeting was adjourned at 10:02 A.M.

Respectfully Submitted,



Tyler Dos Santos-Tam
HART Board Administrator

Approved:



Ivan M. Lui-Kwan, Esq.
Chair, Audit/Legal Matters Committee

Approved:



Damien T.K. Kim
Chair, Project Oversight Committee

DEC - 8 2011

Date