



HONOLULU AUTHORITY for RAPID TRANSPORTATION

MINUTES

**Joint Meeting of Finance Committee and Project Oversight Committee
Mission Memorial Annex
550 South King Street, Honolulu, Hawaii
Thursday, March 21, 2013, 9:30 A.M.**

PRESENT:	Damien T.K. Kim Keslie Hui William "Buzz" Hong Robert "Bobby" Bunda	Carrie K.S. Okinaga George Atta Michael Formby Ivan Lui-Kwan
ALSO IN ATTENDANCE: (Sign-In Sheet and Staff)	Doug Chin Lori Hiraoka Breene Harimoto Maurice Morita Russell Honma Wendell Lum Daniel Grabauskas Brennon Morioka Diane Arakaki	Joyce Oliveira Gary Takeuchi Duane Sayers Jeanne Mariani-Belding Andrea Tantoco Lena Kamae William Brennan Elizabeth Scanlon
EXCUSED:	Don Horner	Glenn Okimoto

I. Call to Order by Chair

Project Oversight Committee Chair Damien T.K. Kim called the meeting to order at 9:48 a.m.

II. Public Testimony on All Agenda Items

Mr. Kim called for public testimony. None was offered.

Joint Meeting of the Finance Committee and Project Oversight Committee Minutes
March 21, 2013

III. Approval of the March 7, 2013 Minutes of the Joint Meeting of the Finance Committee and Project Oversight Committee

Mr. Kim called for the approval of the March 7, 2013, minutes of the joint meeting of the Finance Committee and Project Oversight Committee. There being no objections, the minutes were unanimously approved.

IV. Change Order Review

Lorenzo Garrido, Director of Engineering and Construction for the Honolulu Authority for Rapid Transportation (HART), presented the change order review to the committees. He said that an update on the Kiewit contracts was provided at the March 7, 2013, joint meeting of the Finance Committee and Project Oversight Committee as part of the ongoing suspension change orders and as discussed, a further update would be provided at the upcoming Finance Committee meeting scheduled in April 2013. Mr. Garrido informed the committees that he would be in a position to make a request for further changes to the Kiewit contract at the next Finance Committee meeting.

Mr. Garrido described the change order for the Core Systems contract with Ansaldo Honolulu Joint Venture (Ansaldo). The request for change order is to approve \$1.75 million to provide an additional 800 seats to the rail cars, or 10 seats per car, in response to public input on the desire for additional seating capacity. Mr. Garrido reported that HART staff evaluated the request, negotiated with Ansaldo, and was recommending approval of the change order. Mr. Garrido explained that the \$1.75 million amount for the change order includes the design and manufacturing of the additional seats. The existing rail car capacity accommodated 32 fixed seats and six flip-up seats. With the ten additional seats per car, the rail car capacity will accommodate 32 fixed seats and 16 flip-up seats for a total of 48 seats. Accordingly, each two-car train will have a total capacity of 96 seats. Mr. Garrido said that HART staff worked to ensure that the overall passenger capacity in the rail cars is maintained, while making provisions for areas for bicycle and surfboard capacity.

HART Executive Director and CEO Daniel Grabauskas added that the Federal Transit Administration's (FTA) Project Management Oversight Contractor Jacobs Engineering Group, Inc., had urged HART to add additional seating capacity, there was resounding public support and the Board had supported the addition. Mr. Grabauskas said that the 25% increase in the rail fleet's total seating capacity would be accomplished while maintaining the total rail car capacity. Mr. Grabauskas said that in 2012, approximately \$1.5 million dollars of applied contingency had been identified for additional seating, with the remaining \$250,000 coming from the \$644 million contingency fund. Mr. Grabauskas said that the contingency fund would remain above the FTA's recommended levels of 15% of total project cost. Mr. Grabauskas complimented Mr.

Joint Meeting of the Finance Committee and Project Oversight Committee Minutes
March 21, 2013

Garrido and Deputy Director of Systems Rainer Hombach on their efforts in negotiating with Ansaldo over the past months.

Mr. Kim asked whether the money from contingency is included in the \$644 million in total contingency funds or if it was specifically for the Ansaldo contract. Mr. Grabauskas clarified that the \$1.75 million for this change order would be paid for by the \$1.5 million previously identified and the remaining \$250,000 would be paid for by the main contingency fund of \$644 million. Mr. Garrido added that to date there has only been one executed change order in the amount of \$56,000 for the Ansaldo contract, and the \$1.75 million would be paid for mainly by the "known contingency" allocation.

At Board Chair Carrie Okinaga's request, Mr. Garrido explained that there are several steps prior to the change order coming before the HART Board, beginning with a series of evaluations, independent estimates, and negotiations with the contractor. Internal functional groups then sign off on change order documents to ensure proper coordination within the organization. Final approvals are then obtained from the Project Manager, Deputy Director, Director of Engineering and Construction, Chief Financial Officer, and the Executive Director and CEO. Ms. Okinaga expressed her appreciation for HART staff's transparency in documenting the change order process. Mr. Grabauskas noted that Ansaldo's estimate for the change order was higher than the \$1.5 million allocated for the cost, but HART staff was able to negotiate down to a fair amount. Mr. Garrido added that the change order cost is fair and reasonable, as compared with the industry standard cost for seats.

Mr. Kim asked if the seats would have a 30-year warranty. Mr. Garrido clarified that Ansaldo will operate and maintain the rail cars, and the seats are expected to have a 30-year service life. Committee member Michael Formby observed that the additional seats are a welcome change order, and money well spent.

Board member Robert "Bobby" Bunda asked if there were any arguments against increasing seating capacity. Mr. Grabauskas replied that other than additional cost, there are no arguments against adding seating capacity. He noted again that the FTA's consultant, Jacobs Engineering, issued a report that recommended additional seating. Ms. Okinaga asked if the FTA fully supported the decision to add seating capacity. Mr. Grabauskas confirmed this statement. Ms. Okinaga asked if this would affect ADA seating, and Mr. Grabauskas replied that it would not.

Noting that there were no more questions, Mr. Kim asked for a motion to accept the change order. Board member William "Buzz" Hong moved to accept the change order, and Board member Keslie Hui seconded the motion. The motion carried unanimously, and the change order for additional seating was approved.

Joint Meeting of the Finance Committee and Project Oversight Committee Minutes
March 21, 2013

V. Executive Session

Mr. Kim asked if there was any reason for an executive session, and there was none.

VI. Adjournment

There being no further business before the committee, Mr. Hong moved to adjourn the meeting, and Ms. Okinaga seconded the motion. The motion carried unanimously and Mr. Kim adjourned the meeting at 10:00 a.m.

Respectfully Submitted,


Cindy Matsushita
Board Administrator

Approved:


Donald G. Horner
Chair, Finance Committee


Damien T.K. Kim
Chair, Project Oversight Committee

3/2/13
Date

ATTACHMENT A

CS-DBOM RFCR #4 Additional Seats for Rail Cars

HART Core Systems Design-Build-Operate-Maintain CONTRACT #CT-HRT-1200106

HART Contract Change Order Authorization-CS CO#3

Scope: Furnish and install additional seats for rail cars

Justification: The ten (10) additional flip seats will increase the amount of seating capacity within each car. More riders will have the comfort of occupying seats while utilizing the rail. Intent is to maximize seating capacity.

Original Scope and Budget N/A

Cost of Change: \$1,750,852.00
Funding Source: Contingency - cost code 90.07

Encumbered Funds: Yes

Contingency Remaining: \$ 71.4M

Cost Goal per Negotiation Strategy Memo: \$1,500,000.00

Schedule Impacts: none

Impacts to Other Contracts: none

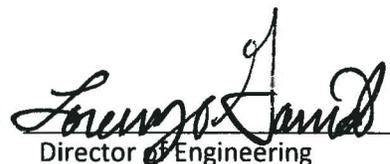
Attachments: RON, SON, NSM, RFCR4, RFCD6

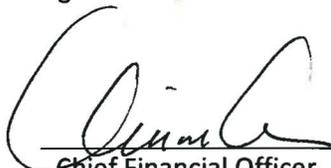
Lesson Learned: Through executive outreach, the riding public, HART's valued customers, have expressed a strong interest and desire to increase the amount of seating provided. Increasing seating capacity will improve the transit experience for HART's customers and serve to attract and retain ridership on the rail system.

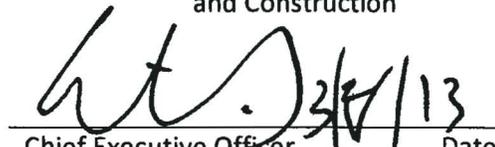
Recommendation: Approval For \$1,750,852.00


Project Manager
3/14/2013

Deputy Director

3/14/2013

Date Director of Engineering and Construction
3/14/13
Date


Chief Financial Officer
3/14/13
Date


Chief Executive Officer
3/14/13
Date