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December 19, 2014

HART advertises first package of rail station contracts

HART today put out solicitations for the first of three rail station packages for the Honolulu rail transit project, implementing its action plan to control costs and find additional revenue sources.

A request for bids was issued today for the Farrington Highway Station Group Package consisting of the West Loch, Waipahu Transit Center and Leeward Community College stations. Bids for the Farrington Highway Station Group contract are scheduled to be opened in March 2015, with the contractor selected later this spring.

HART earlier this year had canceled solicitations for the Westside station contract package consisting of the first nine stations along the rail route after bids came in 63 percent higher than anticipated. The bid was repackaged and recalibrated as part of the agency's overall plan to reduce costs, and find additional revenue sources. Solicitations for the next two station groups in West Oahu and along Kamehameha Highway in Pearl City and Aiea are scheduled to be issued in spring 2015.

"With this first solicitation for the Westside stations issued today, we are off to a solid start," Grabauskas said. "We know that due to delays and lawsuits, we are now in a heated construction market. We are re-working the designs and changing the packaging of our remaining solicitations. We are also exploring additional revenue sources now rather than just waiting for the actual bid numbers."

Roughly \$190 million in legal and construction delays have also pushed the project into a tight construction market, resulting in significantly higher construction bids. In addition, a shortfall of \$41 million in GET revenue and the desire to find a substitute for \$210 million in 5307 formula funds have triggered a comprehensive action plan.

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That plan, unveiled this week, calls for repackaging and recalibrating future contracts; re-examining scope and reducing costs; looking for additional sources of revenue through public-private partnerships; leveraging transit-oriented development; taking advantage of lower interest rates through an improved borrowing plan; and beginning the discussion of extending the existing GET surcharge.

HART Board Chairman Ivan Lui-Kwan said he was pleased to see the agency's prompt response.

"These budget issues deserve the strong sense of urgency that they are receiving," Lui-Kwan said. "As a team, on both the board-level and administratively, we are working diligently to bring these costs down and our revenue up so that we address these challenges and improve our overall fiscal picture. Issuing this repackaged solicitation is an excellent start."

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