



HONOLULU AUTHORITY for RAPID TRANSPORTATION

**Joint Meeting of  
Finance Committee and  
Project Oversight Committee  
Kapolei Hale, Conference Room B  
1000 Uluohia Street, Kapolei, Hawaii  
Thursday, September 24, 2015 9:30 am**

**MINUTES**

**PRESENT:**

Colleen Hanabusa	Michael Formby
Ivan Lui-Kwan	George Atta
Damien Kim	William "Buzz" Hong
Terrence Lee	Donald G. Horner

**ALSO IN ATTENDANCE:**  
(Sign-In Sheet and Staff)

Dan Grabauskas	Joyce Oliveira
Diane Arakaki	Cindy Matsushita
Jim Anthony	Andrea Tantoco
Rose Pou	Gary Takeuchi
Barbra Armentrout	

**EXCUSED:** Ford Fuchigami

**I. Call to Order by Chair**

Project Oversight Committee Chair Colleen Hanabusa called the meeting to order at 9:00 a.m.

**II. Public Testimony on all Agenda Items**

Ms. Hanabusa called for public testimony. There was none.

**III. Approval of the August 27, 2015 Minutes of the Joint Meeting of the Finance Committee and Project Oversight Committee**

Ms. Hanabusa called for the approval of the minutes of the August 27, 2015 joint meeting of the Finance and Project Oversight Committees. Finance Committee Chair Ivan Lui-Kwan made a motion to approve the minutes, which Committee member Michael Formby seconded. All being in favor of the motion, the minutes were unanimously approved.

Minutes of the Joint Meeting of the Finance Committee  
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September 24, 2015

IV. Fiscal Year 2017 Operating and Capital Budgets and Six-Year Capital Program

- A. Presentation
- B. Public Hearing
- C. Approval

Mr. Lui-Kwan said that the Fiscal Year 2017 (FY2017) Operating and Capital Budgets and Six-Year Capital Program would be presented by HART Chief Financial Officer Diane Arakaki, followed by a public hearing, discussion and decision-making.

Ms. Arakaki presented the FY2017 budgets, a copy of which is attached hereto as Attachment A. She said that the budgets are submitted to the Mayor and Council by December 1 every year.

Mr. Lui-Kwan requested clarification on the budget process before the HART Board. He said that he understood the Board's Financial Policies to state that the Finance Committee has the authority to approve the Operating and Capital Budgets and the Six-Year Capital Program. The budgets are then submitted to the Board of Directors for their information. The Finance Committee then transmits the budgets to the Mayor and City Council. Deputy Corporation Counsel Gary Takeuchi confirmed Mr. Lui-Kwan's understanding, and said that the original rules required the Board of Directors' approval, but that the Financial Policies were amended in December 2011 to reflect the process that Mr. Lui-Kwan described.

Ms. Hanabusa asked about the City Council's authority to amend HART's budget submission, and HART's subsequent obligation to adopt any budgets modified by the Council. Mr. Takeuchi responded that a full response as to the Board's rights would best be provided in executive session.

Committee member Donald G. Horner said that the Finance Committee has historically vetted the budgets thoroughly, then transmitted them to the Mayor and City Council, who have provided valuable suggestions at times, which the Board had taken up.

Ms. Hanabusa clarified that she was concerned with procedure. Mr. Lui-Kwan said that because the language in the City Charter was unclear, an executive session discussion was suggested to explain the difference in legal opinions on the matter.

Mr. Horner noted that Ms. Hanabusa's point was well made, and stated that a permitted interaction group would be formed that day to investigate possible suggestions to the Charter Commission, and welcomed Ms. Hanabusa's participation.

Committee member George Atta asked whether the Charter Commission had approached HART. HART Executive Director and CEO Dan Grabauskas replied that the Charter Commission had invited him and Mr. Horner to appear before them that afternoon. Mr.

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Horner added that the permitted interaction group would review and respond to the Charter Commission's questions and suggestions. Ms. Hanabusa added that permitted interaction groups allowed meetings of less than a quorum of the Board of Directors under the Sunshine Law, but said that the group could not take any action.

Ms. Arakaki continued by saying that the annual budget year was from July 1 to June 30. She outlined the proposed Capital Improvement Program (CIP) appropriation, and said that the majority of project costs had been appropriated in past years. Only nine percent of the capital budget would remain after FY17. The bulk of the FY17 capital budget request was made up of the West Oahu Park and Ride, elevator/escalator contract, core systems oversight contract, Programmatic Agreement, Owner-Controlled Insurance Program, and General Engineering Consultant. Ms. Arakaki said that contingency was related to achieving milestones. She reminded members that unused amounts of appropriated funds would lapse on June 30<sup>th</sup>.

Ms. Arakaki said that major potential reappropriations from FY16 included contracts that are planned for the current fiscal year, and were appropriated the previous year. She said that most of second half of the total project construction costs was appropriated in the current fiscal year, and amounted to just under \$2 billion. Should the scheduled awards for contracts listed look likely to go beyond June 30, 2016, Ms. Arakaki said that she would return to the Board with a request for reappropriation of those funds in FY17.

Mr. Grabauskas reminded members that the HART Board of Directors had directed staff to annually bring any appropriation requests, in variance with the City's two-year CIP budget process. Accordingly, Ms. Arakaki said, the numbers HART would provide to the City Council for reappropriation in the next year would be different than those being presented to the HART Board of Directors.

Ms. Arakaki said that the FY17 operating budget request is less than 1% more than the current fiscal year. Labor and benefit increases contain changes consistent with multi-year labor agreements with the City. The other post-retirement benefits category is being increased to fund 60% of the total annual contribution as required by recently adopted State law. The stipend cost is being moved to the capital budget, as it is a one-time expense more appropriately expended as a capital cost.

Mr. Grabauskas noted that the FY17 Operating Budget request contains no change in the number of full time positions at HART.

Mr. Lui-Kwan clarified that the Operating Budget's increase of less than 1% or \$168,000 did not include the debt service line item, as \$500,000, which is the stipend, was being shifted from the operating to the capital budget.

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Ms. Hanabusa asked if HART employees participate in the Employee Retirement System and health fund, and Ms. Arakaki responded that they did. Mr. Grabauskas added that the operating budget was consistent with collective bargaining agreements.

Mr. Formby observed that the documentation accompanying the budget materials assumes a General Excise Tax (GET) surcharge extension and projected cost increases of \$450 million. He asked how higher contract costs were being accounted for. He said that due to the lack of detail, he was not comfortable with voting on the FY17 budget that day. Mr. Grabauskas said that the information would be provided at the Board meeting, and that the action requested that day is to move the draft budgets to the full Board for consideration. However, the budget would not be approved by the Board until June 2016, so there would be ample opportunity to fill in details.

Mr. Formby asked when the detailed discussion would occur. Mr. Lui-Kwan said that it would probably occur at the committee level.

Regarding Mr. Horner and Mr. Grabauskas' September 14, 2015 letter to the Mayor and the City Council, Mr. Lui-Kwan asked that Board members be engaged prior to sending information outside of HART, such as the potential \$200 million project cost increase referenced in the letter, the schedule, and debt financing. He said that Mr. Formby's request for further discussion is similarly appropriate, and that the Board could still take up the discussion without Finance Committee approval of the FY17 budget. He reminded members that the budget is to be submitted to the Mayor and City Council by December 1, 2015.

Mr. Horner said that the letter's purpose was transparency. He said that the \$200 million figure was a range. The letter was in the same spirit as the proposed resolution on the Board agenda, requesting HART management to provide more clarity on the budget process. It was intended to begin the process of going to the Finance Committee for reanalysis of budget and schedule.

Mr. Lui-Kwan thanked Mr. Horner for the letter, but said that he was concerned with protocol and engaging the collective wisdom of the Board. Mr. Formby also registered his appreciation of Mr. Horner and Mr. Grabauskas' letter, and said its result was a different budget discussion that day. Mr. Horner said that he hoped future budget discussions would be more extensive than they had in the past, and that the discussion at the October meeting would be more detailed.

Ms. Hanabusa acknowledged that the members did get an electronic copy of the letter. She had asked about the \$100 million that was referenced in the letter, and noted the Board's need to be able to explain where the \$100 million came from, vis-a-vis the change from design-build to design-bid-build to design-build contracting.

Committee member George Atta echoed Mr. Lui-Kwan's request to engage Board members sooner.

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Mr. Lui-Kwan reiterated his appreciation for the letter, and emphasized that the Board was a team. He suggested that the Committee take up the FY17 Operating and Capital Budgets and Six-Year Capital Program at a later date when more granularity was provided. He noted that the budget schedule would be preserved, as HART was to submit the FY17 budget to the Mayor and City Council by December 1, 2015. He called for a motion to defer.

Mr. Formby moved to defer the vote on the FY17 Operating and Capital Budgets and the Six-Year Capital Program. He said that were many questions remaining, and said that he wanted time to prepare a budget book to track change orders, and the project's big picture budget. Ms. Hanabusa seconded the motion.

Mr. Horner asked whether a deferral would have any negative impact to the schedule. Ms. Arakaki confirmed that there was ample time for the Committee to meet its December 1<sup>st</sup> date for submission to the Mayor and City Council. Mr. Grabauskas confirmed that extra time had been built into the process.

Mr. Horner said that the draft resolution before the Board requested detail on budget and schedule on October 15, 2015. He requested information on the original Full Funding Grant Agreement (FFGA) budget, as well as the information on the current budget line items. Mr. Grabauskas confirmed that would occur, should the Board adopt the resolution.

Mr. Formby requested developing a budget book starting with the FFGA budget going forward.

Mr. Lui-Kwan called for public comment.

Dr. Jim Anthony said that when a \$5.2 billion project becomes an over \$6.2 billion project, even supporters of the project begin to feel disillusioned. He noted, however, that it was reassuring to hear a discussion about serious review and transparency. He noted his concern that the cost would continue to rise, and that property taxes would be impacted. Dr. Anthony also noted his concern regarding public perception. He urged members to remember supporters who voted for rail.

Mr. Lui-Kwan called for a vote on the motion to defer. All being in favor, the FY17 Operating and Capital Budget and the Six-Year Capital Program were deferred unanimously.

Mr. Lui-Kwan asked if there was a request for executive session. Ms. Hanabusa requested executive session pursuant to Hawaii Revised Statutes Section 92-4 and Section 92-5(a)(4), to allow the Committee to consult with its attorneys on questions and issues on matters pertaining to the Committee's powers, duties, privileges, immunities and liabilities regarding the matter in item VI. Mr. Formby seconded the motion. All being in favor, the Committee entered into Executive Session at 9:45 a.m.

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V. Executive Session

The joint Committee reconvened in public session at 10:32 a.m.

VI. Change Order Approval – Core Systems Contract Nine Month Delay Claim Resolution

Mr. Lui-Kwan said that legal matters had been discussed in executive session with regard to the Core Systems Contract Nine Month Delay Claim Resolution. Documents relating to the change order are attached hereto as Attachment B.

Ms. Hanabusa made a motion to defer the change order for the Core Systems Contract Nine Month Delay Claim Resolution, and Mr. Horner seconded the motion. He said that the joint committees should come to a resolution on the matter at the next meeting. Mr. Lui-Kwan agreed, and said that the discussion had been focused on the members' commitment to the best value for the project. He called for public testimony. There was none.

All being in favor, the motion to defer carried unanimously.

VII. Presentation on the Report of the Independent Rail Consultant

Ms. Hanabusa said that presentation on the report of the independent rail consultant would be made by Mr. Formby, who handed out copies of the August 25, 2015 report to members. A copy of the report is attached hereto as Attachment C. Mr. Formby said that the report had been presented to the Council Budget Committee. He said that the report by Michael Burns, one of many which the Mayor had requested upon his hiring, was being provided to the Board in aid of the project governance.

Mr. Lui-Kwan requested a summary of the report. Mr. Formby said that the report was based on Mr. Burns' cursory general observations during his visit to Honolulu, interviews with staff members, and review of project documents. He said that one suggestion was that a summary of changes be provided at beginning of the excellent Monthly Progress Report. Another suggestion is for a detailed discussion on budget and schedule, and that the Board spend more time in those discussions going forward.

Ms. Hanabusa asked about items #2 and #3 in the Work Plan contained in the report, which relate to design-build project delivery. Mr. Formby said that regarding item #2, Mr. Burns was asked for his engineering concerns in the change from design-bid-build to design-build. Regarding item #3, relating to the \$100 million paid for drawings that would go to design-bid bidders, the matter had already received much attention since that time Mr. Burns was given the assignment. He said that he expected more conversation on the topic in the future.

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VIII. Adjournment

There being no further business before the joint committees, Ms. Hanabusa adjourned the meeting at 10:41 a.m.

Respectfully Submitted,



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Cindy Matsushita  
Board Administrator

Approved:



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Ivan Lui-Kwan  
Chair, Finance Committee



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Colleen Hanabusa  
Chair, Project Oversight Committee

OCT 15 2015

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Date

**STATEMENT**

by

**Dr. Jim Anthony**

to

**the members of the Board of Directors  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (HART)**

**Thursday, September 24, 2015, 10 a.m.**

**Agenda Item # IV -- Appointment of the 9<sup>th</sup> member of the Board**

I have come to speak to the nomination of Terri Fujii to fill the 9<sup>th</sup> position on this Board.

Some of you have interviewed her and penned a report of your findings. I have read that closely.

And I have, for my part, had an hour long conversation with Terri. I have expressed my thanks to her for the opportunity to converse with her and express my thanks to her again here in public.

I have assured Terri that both the tenor and the substance of our conversation will remain confidential. And it will.

But, nonetheless, I do have some things to say about her prospective and almost certain appointment.

So I offer these thoughts on the Board—and for you as its members:

There is a carefully contrived pretense of accountability on this Board but little of its substance.

The membership of this Board has the appearance of diversity but lacks its substance—particularly those strands of diversity that are intellectual and ideological. To draw from history: there is no Tom Gill on this Board, no Patsy Mink, no Nadao Yoshinaga, no David McClung, no AhQuon McIlwraith.

Deep inside this Board there is already foreknowledge, I suspect, of continued rising costs and the apparent unwritten, unannounced policy is: “one shoe at a time” – first, the stunning \$900 million cost overrun, then this past week another \$200 million. It is a fair bet that there are more cost overruns to come.

The major contractors are now in the driver’s seat. And, I believe, there is enormous room for mischief here, really bad juju.

The train project has become, as Randy Roth predicted, the candy train for TOD where huge real estate fortunes will be made. Huge prospects for mischief here too.

The main concern I have about the 9<sup>th</sup> member (representing “**the public**”) is this: Would the nominee be just another team player or a potential whistleblower in addition to being a team player?

From what I know of the candidate before us everything in her background, experience and track record is that she will be a dedicated team player and not much more than that. Another team player is not good for the Board and not good for defending and protecting the public interest. This is sort of like the present fix that Volkswagen is in: you can get by the initial emission test but then what?

I am here this morning to sound an alarm: Terri Fuji, for all of her gifts is not my ideal candidate for this job. This vacancy to represent “the public” is, in my view, the most important position on this Board. Here was an opportunity for the Board’s sub-committee (the PIG) to do something truly imaginative and creative: recommend a nominee such as Randy Roth or someone of the caliber of Yanis Varofoukas. Terri Fujii will do but only just. She may not know it yet but she’s walking into ... I will leave the noun blank.

I will keep a sharp eye on her performance because that is both my right and my obligation as a citizen. She knows that. I know that Terri will keep an open door to receive complaints (input, if you prefer that word) from members of the public. That is reassuring.

To the practiced eye “the public” has one remaining major concern about this lumbering project: its slowly but surely escalating costs and the consequent tax burden on future generations. The one half of one percent tax is pretty much permanent, cemented in place. What’s next? a property tax increase to pay for this growing behemoth?

Terri Fujii has her work cut out for her. She's a distinguished accountant and auditor of long standing. She knows what I am talking about and all of you, soon to be of one and the same team, know what I am talking about too. Remember "On Time, on Budget"? Well that quickly went out of the train's window, even before it started to move. This baby ain't going to be on time and it ain't gonna be on budget. **Five point some billion now exceeds six. I predict that six billion is already headed towards seven billion. Terri: you have an accountant's nightmare in the making.**

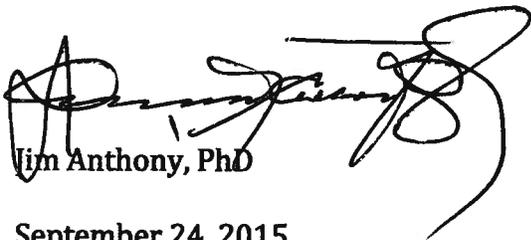
So Terri, I wish you luck even though I know and you know that like hope, luck is not a plan.

I have in mind, as I conclude, Mr. Chairman, this past Sunday's editorial in the Star Advertiser, not the greatest newspaper in the world but which, occasionally, vents a puff of wisdom.

Rail is now about cost containment—and one more thing: how you treat the greatest of your assets: your staff—about which I will say more in the course of this meeting.

Terri Fujii: cost containment and the welfare of staff—two vital factors. Just two, for a good start.

And if the time should come: live dangerously—be a whistleblower, Terri. It is much more of an honorable calling than simply being a boring team player. You might not be able to be another Rosa Parks but you can at least stand up when the time comes and be counted.



Jim Anthony, PhD

September 24, 2015

# ATTACHMENT A

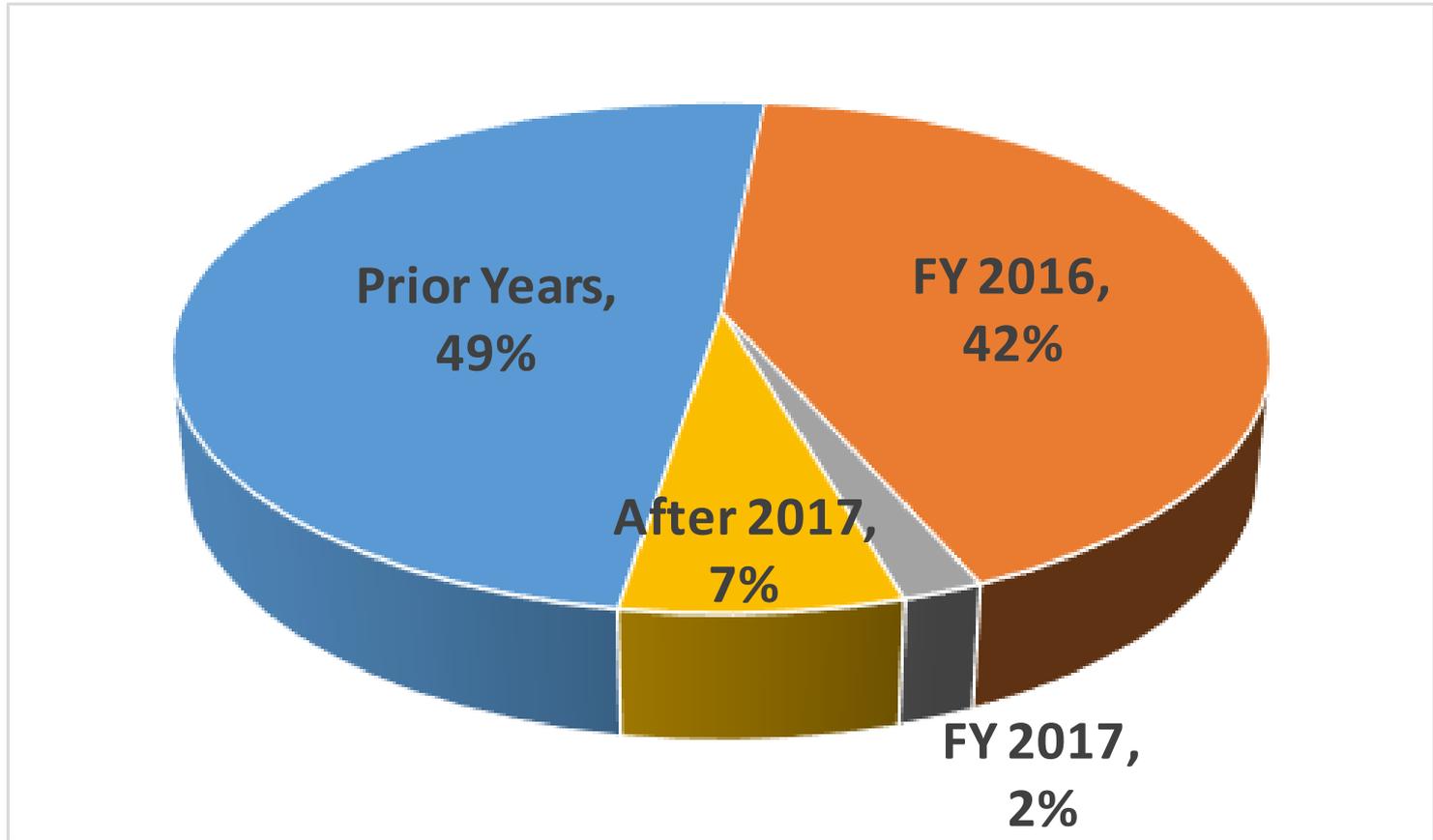
# FY 2017 Capital and Operating Budget

September 24, 2015

# Schedule

Date	Meeting	Action
September 15, 2015	N/A	<ul style="list-style-type: none"> <li>a. Requested FY 2017 Operating &amp; Capital Budgets and Six-Year Capital Program submitted to Board of Directors by Executive Director</li> <li>b. Board Chair refers to Finance Committee</li> </ul>
September 24, 2015	Finance Committee	<ul style="list-style-type: none"> <li>a. Presentation of FY 2017 Operating &amp; Capital Budgets and Six-Year Capital Program</li> <li>b. Public hearing</li> <li>c. Decision making re: recommendation to Board that FY 2017 Operating &amp; Capital Budgets be transmitted to Mayor and City Council for input</li> </ul>
October 15, 2015	Board	<ul style="list-style-type: none"> <li>a. Decision making re: approval to transmit FY 2017 Operating &amp; Capital Budgets to Mayor and City Council for input</li> <li>b. If approved, FY 2017 Operating &amp; Capital Budgets referred back to Finance Committee for transmittal</li> <li>c. Adoption of Six-Year Capital Program</li> </ul>
By December 1, 2015	Finance Committee	<ul style="list-style-type: none"> <li>a. Transmittal of the approved FY 2017 Operating &amp; Capital Budgets to the City through the Executive Director <b>by December 1st</b></li> </ul>
January-June, 2016	City Council	<ul style="list-style-type: none"> <li>a. City Council Budget Committee review of FY 2017 Operating &amp; Capital Budgets</li> <li>b. City Council review of FY 2017 Operating &amp; Capital Budgets completed by mid-June 2016</li> </ul>
By June 30, 2016	Board	<ul style="list-style-type: none"> <li>a. Public hearing on FY 2017 Operating &amp; Capital Budgets</li> <li>b. Decision making re: adoption of FY 2017 Operating &amp; Capital Budgets via resolution</li> </ul>

# CIP Appropriation Summary



# FY 2017 CIP

Cost Type	CPP Number	Contract Name	Proposed FY 2017
<b>Contract</b>	<b>DBB600</b>	Park-and-Ride Lots Construction	\$ 5,351,000
	<b>HART201</b>	Quality Assurance	\$ 20,000
	<b>MI930</b>	Project-wide Elevator / Escalator Design-Furnish-Install-Op.	\$ 15,354,000
	<b>MM913</b>	General Engineering Consultant, Construction (GEC-3)	\$ 15,197,000
	<b>MM920</b>	HDOT Coordination Consultant - West Oahu/Farrington Section	\$ 750,000
	<b>MM921</b>	HDOT Coordination Consultant – Kamehameha Section	\$ 1,000,000
	<b>MM922</b>	HDOT Coordination Consultant - Airport Section	\$ 2,000,000
	<b>MM930</b>	HDOT State Safety Oversight Agency (SOA) Consultant	\$ 591,000
	<b>MM937</b>	ROW Engineering Support Services (inc. Mapping & Surveying)	\$ 1,498,000
	<b>MM940</b>	Kako'o Consultant	\$ 400,000
	<b>MM946</b>	On-Call Hazardous Materials (HazMat) Removal Contractor	\$ 1,075,000
	<b>MM947</b>	On-Call Contractor 2	\$ 1,000,000
	<b>MM951</b>	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	\$ 8,000,000
	<b>MM962</b>	Core Systems Contract Oversight Consultant	\$ 8,770,000
	<b>MM964</b>	Safety & Security Certification Consultant	\$ 800,000
	<b>MM975</b>	LEED Commissioning Services for MSF	\$ 15,000
	<b>PA101</b>	Programmatic Agreement– Humanities Program	\$ 110,000
	<b>PA103</b>	Programmatic Agreement– HPC Park Improvements	\$ 750,000
<b>Contract Total</b>			<b>\$ 62,681,000</b>
<b>Contingency Cont.</b>		Contingency	\$ 54,000,000
<b>Grand Total</b>			<b>\$ 116,681,000</b>

# Six Year CIP

CPP Number	Contract Name	Proposed FY 2017	Proposed FY 2018	Proposed FY 2019	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	6-Year Total FY 2017-2022
<b>DBB600</b>	Park-and-Ride Lots Construction	\$5,351,000	\$0	\$0	\$0	\$0	\$0	\$5,351,000
<b>HART201</b>	Quality Assurance	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$40,000
<b>MI930</b>	Project-wide Elevator / Escalator Design-Furnish-Install-Op.	\$15,354,000	\$13,713,000	\$0	\$0	\$0	\$0	\$29,067,000
<b>MM913</b>	General Engineering Consultant, Construction (GEC-3)	\$15,197,000	\$0	\$0	\$0	\$0	\$0	\$15,197,000
<b>MM920</b>	HDOT Coordination Consultant - West Oahu/Farrington Section	\$750,000	\$0	\$0	\$0	\$0	\$0	\$750,000
<b>MM921</b>	HDOT Coordination Consultant – Kamehameha Section	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
<b>MM922</b>	HDOT Coordination Consultant - Airport Section	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000
<b>MM930</b>	HDOT State Safety Oversight Agency (SOA) Consultant	\$591,000	\$0	\$0	\$0	\$0	\$0	\$591,000
<b>MM937</b>	ROW Engineering Support Services (inc. Mapping & Surveying)	\$1,498,000	\$0	\$0	\$0	\$0	\$0	\$1,498,000
<b>MM940</b>	Kako'o Consultant	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
<b>MM946</b>	On-Call Hazardous Materials (HazMat) Removal Contractor	\$1,075,000	\$0	\$0	\$0	\$0	\$0	\$1,075,000
<b>MM947</b>	On-Call Contractor 2	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
<b>MM951</b>	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	\$8,000,000	\$8,000,000	\$2,970,000	\$0	\$0	\$0	\$18,970,000
<b>MM962</b>	Core Systems Contract Oversight Consultant	\$8,770,000	\$8,770,000	\$8,770,000	\$0	\$0	\$0	\$26,310,000
<b>MM964</b>	Safety & Security Certification Consultant	\$800,000	\$0	\$0	\$0	\$0	\$0	\$800,000
<b>MM975</b>	LEED Commissioning Services for MSF	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000
<b>PA101</b>	Programmatic Agreement– Humanities Program	\$110,000	\$0	\$0	\$0	\$0	\$0	\$110,000
<b>PA103</b>	Programmatic Agreement– HPC Park Improvements	\$750,000	\$0	\$0	\$0	\$0	\$0	\$750,000
<b>Subtotal</b>		<b>\$62,681,000</b>	<b>\$30,503,000</b>	<b>\$11,740,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$104,924,000</b>
	Contingency	\$54,000,000	\$140,000,000	\$53,000,000	\$36,000,000	\$86,000,000	\$0	\$369,000,000
<b>Total</b>		<b>\$116,681,000</b>	<b>\$170,503,000</b>	<b>\$64,740,000</b>	<b>\$36,000,000</b>	<b>\$86,000,000</b>	<b>\$0</b>	<b>\$473,924,000</b>

# Major Potential FY 2016 Re-Appropriations

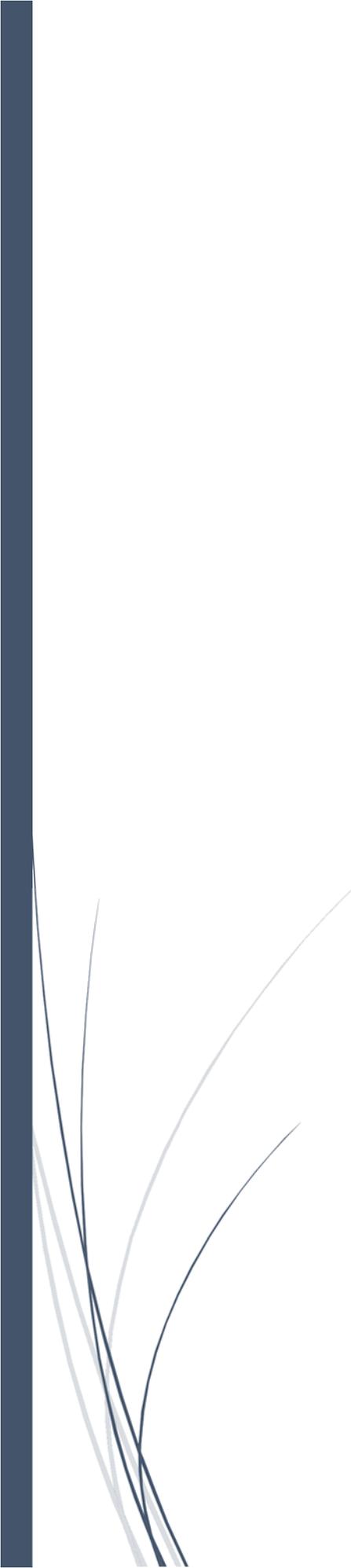
<b>Major Potential Reappropriations</b>			<b>Potential Reappropriations as of 9/1/2015</b>
<b>Cost Type</b>	<b>CPP Number</b>	<b>Contract Name</b>	
<b>Contract</b>	<b>ART</b>	Project-wide Art	\$ 3,500,000
	<b>DB275</b>	Pearl Highlands Garage, Bus Terminal (PHTG) + H2 Ramp DB	\$ 242,900,000
	<b>DB450</b>	Airport section Guideway and Station Group (AGSG) DB	\$ 644,054,000
	<b>DB550</b>	City Center Section Guideway and Station Group (CCGS) DB	\$ 659,139,000
	<b>DBB371</b>	Kamehameha Highway Station Group (KHSG) Construction	\$ 134,983,000
	<b>ROW</b>	Real Estate/Right-of-Way Acquisition	\$ 75,000,000
	<b>UTIL</b>	New Utilities or Relocations by Private Utility Owners	\$ 25,000,000
<b>Contract Total</b>			<b>\$ 1,784,576,000</b>
<b>Contingency</b>	<b>Cont.</b>	Contingency	\$ 200,000,000
<b>Contingency Total</b>			<b>\$ 200,000,000</b>
<b>Total</b>			<b>\$ 1,984,576,000</b>

# FY 2017 Operating Budget

Budget Description	2016	2017	Change From FY 2016 Budget	
	Budget	Budget	Amount	%
<u>Labor Costs</u>				
Regular Pay	9,401,600	9,718,600	317,000	3.4%
Fringe Benefits	4,326,400	4,470,600	144,200	3.3%
OPEB Contribution	195,000	292,000	97,000	49.7%
Labor Costs Sub-total	14,019,000	14,577,200	558,200	4.0%
<u>Current Expenses</u>				
<b>Changes:</b>				
Rentals	2,445,000	2,515,500	70,500	2.9%
Professional Svcs. Direct Reimb	2,031,500	2,070,800	39,300	1.9%
Other Fixed Charges (Stipend)	500,000	0	(500,000)	0.0%
<b>Cleanup:</b>				
Office & Computer Supplies	150,000	130,000	(20,000)	0.0%
Telephone	40,000	60,000	20,000	50.0%
Parts / Equip	210,300	188,300	(22,000)	0.0%
Communication Svcs	128,000	150,000	22,000	17.2%
Advertising, Publication of Notices	45,000	35,000	(10,000)	0.0%
Printing & Binding	1,500	11,500	10,000	666.7%
Current Expenses Sub-total	7,187,800	6,797,600	(390,200)	0.0%
<b>Total Operating Expenses</b>	<b>21,212,800</b>	<b>21,380,800</b>	<b>168,000</b>	<b>0.8%</b>
<u>Debt Service</u>				
Interest Expense	8,000,000	10,000,000	2,000,000	25.0%
Debt Service Sub-total	8,000,000	10,000,000	2,000,000	25.0%
<b>Grand Total</b>	<b>29,212,800</b>	<b>31,380,800</b>	<b>2,168,000</b>	<b>7.4%</b>

***Mahalo***

***Questions?***

A thick, dark blue vertical bar is positioned on the left side of the page. To its right, several thin, light blue lines curve upwards and outwards, creating an abstract, organic shape.

# HART Requested FY 2017 Operating and Capital Budget Submittal

Budget and Finance Department  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

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**HART Requested Budget Detail Supporting Documents**

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## FY 2017 Budget Process Schedule

Date	Meeting	Action
September 15, 2015	N/A	<ul style="list-style-type: none"> <li>a. Requested FY 2017 Operating &amp; Capital Budgets and Six-Year Capital Program submitted to Board of Directors by Executive Director</li> <li>b. Board Chair refers to Finance Committee</li> </ul>
September 24, 2015	Finance Committee	<ul style="list-style-type: none"> <li>a. Presentation of FY 2017 Operating &amp; Capital Budgets and Six-Year Capital Program</li> <li>b. Public hearing</li> <li>c. Decision making re: recommendation to Board that FY 2017 Operating &amp; Capital Budgets be transmitted to Mayor and City Council for input</li> </ul>
October 15, 2015	Board	<ul style="list-style-type: none"> <li>a. Decision making re: approval to transmit FY 2017 Operating &amp; Capital Budgets to Mayor and City Council for input</li> <li>b. If approved, FY 2017 Operating &amp; Capital Budgets referred back to Finance Committee for transmittal</li> <li>c. Adoption of Six-Year Capital Program</li> </ul>
By December 1, 2015	Finance Committee	<ul style="list-style-type: none"> <li>a. Transmittal of the approved FY 2017 Operating &amp; Capital Budgets to the City through the Executive Director <b>by December 1st</b></li> </ul>
January-June, 2016	City Council	<ul style="list-style-type: none"> <li>a. City Council Budget Committee review of FY 2017 Operating &amp; Capital Budgets</li> <li>b. City Council review of FY 2017 Operating &amp; Capital Budgets completed by mid-June 2016</li> </ul>
By June 30, 2016	Board	<ul style="list-style-type: none"> <li>a. Public hearing on FY 2017 Operating &amp; Capital Budgets</li> <li>b. Decision making re: adoption of FY 2017 Operating &amp; Capital Budgets via resolution</li> </ul>

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

BOARD OF DIRECTORS

September 15, 2015

Donald G. Horner  
CHAIR

Damien T.K. Kim  
VICE CHAIR

George I. Atta  
Michael D. Formby  
Ford N. Fuchigami  
Colleen Hanabusa  
William "Buzz" Hong  
Terrence M. Lee  
Ivan M. Lui-Kwan

MEMORANDUM

TO: HART BOARD OF DIRECTORS

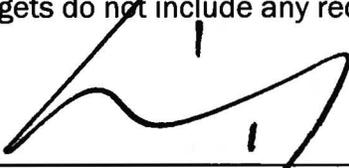
FROM: DANIEL A. GRABAUSKAS, EXECUTIVE DIRECTOR AND CEO

SUBJECT: FISCAL YEAR 2017 BUDGET

Pursuant to the Honolulu Authority for Rapid Transportation's (HART) Financial Policies, Section III (C) and (D), this memorandum transmits for your consideration and input HART's Proposed Fiscal Year (FY) 2017 Operating and Capital Budgets, and Six-Year Capital Program in the amounts delineated below and in Exhibits A, B and C (as attached) and assumes GET surcharge extension and projected cost increase of \$594 million.

Total FY 2017 Operating Budget.....\$ 31,380,800  
Total FY 2017 Capital Budget .....\$116,681,000

After the Board's review of the proposed budget, the Operating and Capital Budgets are transmitted to the Mayor and City Council for their review before December 1, 2015. HART's proposed FY 2017 budgets do not include any request of City general fund monies.



DANIEL A. GRABAUSKAS  
Executive Director and CEO

Attachments

## Requested FY 2017 Operating Budget

Honolulu Authority for Rapid Transportation  
Requested Operating Expense Budget  
For Fiscal Year 2017

Budget Description	2016	2017	Change From FY 2016 Budget	
	Budget	Budget	Amount	%
<u>Labor Costs</u>				
Regular Pay	9,401,600	9,718,600	317,000	3.4%
Overtime, Night Shift, Temp Assign Pay	53,000	53,000	0	0.0%
Accumulated Lump sum Vacation Pay	42,000	42,000	0	0.0%
Fringe Benefits	4,326,400	4,470,600	144,200	3.3%
Service or Merit Awards	1,000	1,000	0	0.0%
OPEB Contribution	195,000	292,000	97,000	49.7%
<b>Labor Costs Sub-total</b>	<b>14,019,000</b>	<b>14,577,200</b>	<b>558,200</b>	<b>4.0%</b>
<u>Current Expenses</u>				
Advertising, Publication of Notices	45,000	35,000	(10,000)	0.0%
Audit Service Fee	80,000	80,000	0	0.0%
Communication Svcs	128,000	150,000	22,000	17.2%
Computer Software Maintenance Ageement	100,000	100,000	0	0.0%
Fees (Memberships, Registration & Parking)	50,000	50,000	0	0.0%
Insurance on Equip. & Gen. Liab.	73,000	73,000	0	0.0%
Legal Services	1,000,000	1,000,000	0	0.0%
Meals & Foods	6,500	6,500	0	0.0%
Office & Computer Supplies	150,000	130,000	(20,000)	0.0%
Other Fixed Charges (Stipend)	500,000	0	(500,000)	0.0% **
Other Repairs to Bldgs & Structures	5,000	5,000	0	0.0%
Parts / Equip	210,300	188,300	(22,000)	0.0%
Postage & Shipping	39,000	39,000	0	0.0%
Printing & Binding	1,500	11,500	10,000	666.7%
Professional Svcs. Direct Reimb	2,031,500	2,070,800	39,300	1.9%
Professional Svcs. Other	170,000	170,000	0	0.0%
R&M - Office Furniture & Equip	12,000	12,000	0	0.0%
Rentals	2,445,000	2,515,500	70,500	2.9%
Safety & Misc Supplies	6,000	6,000	0	0.0%
Telephone	40,000	60,000	20,000	50.0%
Travel Expense - Out-of-State	95,000	95,000	0	0.0%
Relocation - New Hires	0	0	0	0.0%
<b>Current Expenses Sub-total</b>	<b>7,187,800</b>	<b>6,797,600</b>	<b>(390,200)</b>	<b>0.0%</b>
<u>Equipment</u>				
Equipment & Software	6,000	6,000	0	0.0%
<b>Equipment Sub-total</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>21,212,800</b>	<b>21,380,800</b>	<b>168,000</b>	<b>0.8%</b>
<u>Debt Service</u>				
Interest Expense	8,000,000	10,000,000	2,000,000	25.0%
<b>Debt Service Sub-total</b>	<b>8,000,000</b>	<b>10,000,000</b>	<b>2,000,000</b>	<b>25.0%</b>
<b>Grand Total</b>	<b>29,212,800</b>	<b>31,380,800</b>	<b>2,168,000</b>	<b>7.4%</b>

Total Full-time Equivalent Positions      139      139

\*\*Stipends for FY 2017 reflected in FY 2017 Capital Budget Request

## Requested FY 2017 Capital Budget

Honolulu Authority for Rapid Transportation  
FY 2017 Capital Budget

Cost Type	CPP Number	Contract Name	Proposed FY 2017
<b>Contract</b>	<b>DBB600</b>	Park-and-Ride Lots Construction	\$ 5,351,000
	<b>HART201</b>	HART Expenses & ODC	\$ 20,000
	<b>MI930</b>	Project-wide Elevator / Escalator Design-Furnish-Install-Op.	\$ 15,354,000
	<b>MM913</b>	General Engineering Consultant, Construction (GEC-3)	\$ 15,197,000
	<b>MM920</b>	HDOT Coordination Consultant - West Oahu/Farrington Section	\$ 750,000
	<b>MM921</b>	HDOT Coordination Consultant – Kamehameha Section	\$ 1,000,000
	<b>MM922</b>	HDOT Coordination Consultant - Airport Section	\$ 2,000,000
	<b>MM930</b>	HDOT State Safety Oversight Agency (SOA) Consultant	\$ 591,000
	<b>MM937</b>	ROW Engineering Support Services (inc. Mapping & Surveying)	\$ 1,498,000
	<b>MM940</b>	Kako'o Consultant	\$ 400,000
	<b>MM946</b>	On-Call Hazardous Materials (HazMat) Removal Contractor	\$ 1,075,000
	<b>MM947</b>	On-Call Contractor 2	\$ 1,000,000
	<b>MM951</b>	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	\$ 8,000,000
	<b>MM962</b>	Core Systems Contract Oversight Consultant	\$ 8,770,000
	<b>MM964</b>	Safety & Security Certification Consultant	\$ 800,000
	<b>MM975</b>	LEED Commissioning Services for MSF	\$ 15,000
	<b>PA101</b>	Programmatic Agreement– Humanities Program	\$ 110,000
	<b>PA103</b>	Programmatic Agreement– HPC Park Improvements	\$ 750,000
<b>Contract Total</b>			<b>\$ 62,681,000</b>
<b>Contingency</b>	<b>Cont.</b>	Contingency	\$ 54,000,000
<b>Grand Total</b>			<b>\$ 116,681,000</b>

Requested 6-Year Capital Program FY 2017-2022

Honolulu Authority for Rapid Transportation  
 6-Year Capital Program FY 2017-2022

Cost Type	CPP Number	Contract Name	Proposed FY 2017	Proposed FY 2018	Proposed FY 2019	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	6-Year Total FY 2017-2022
Contract	DBB600	Park-and-Ride Lots Construction	\$5,351,000	\$0	\$0	\$0	\$0	\$0	\$5,351,000
	HART201	HART Expenses & ODC	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$40,000
	MM930	Project-wide Elevator / Escalator Design-Furnish-Install-Op.	\$15,354,000	\$13,713,000	\$0	\$0	\$0	\$0	\$29,067,000
	MM913	General Engineering Consultant, Construction (GEC-3)	\$15,197,000	\$0	\$0	\$0	\$0	\$0	\$15,197,000
	MM920	HDOT Coordination Consultant - West Oahu/Farrington Section	\$750,000	\$0	\$0	\$0	\$0	\$0	\$750,000
	MM921	HDOT Coordination Consultant – Kamehameha Section	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
	MM922	HDOT Coordination Consultant - Airport Section	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000
	MM930	HDOT State Safety Oversight Agency (SOA) Consultant	\$591,000	\$0	\$0	\$0	\$0	\$0	\$591,000
	MM937	ROW Engineering Support Services (inc. Mapping & Surveying)	\$1,498,000	\$0	\$0	\$0	\$0	\$0	\$1,498,000
	MM940	Kako'o Consultant	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
	MM946	On-Call Hazardous Materials (HazMat) Removal Contractor	\$1,075,000	\$0	\$0	\$0	\$0	\$0	\$1,075,000
	MM947	On-Call Contractor 2	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
	MM951	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	\$8,000,000	\$8,000,000	\$2,970,000	\$0	\$0	\$0	\$18,970,000
	MM962	Core Systems Contract Oversight Consultant	\$8,770,000	\$8,770,000	\$8,770,000	\$0	\$0	\$0	\$26,310,000
	MM964	Safety & Security Certification Consultant	\$800,000	\$0	\$0	\$0	\$0	\$0	\$800,000
	MM975	LEED Commissioning Services for MSF	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000
	PA101	Programmatic Agreement– Humanities Program	\$110,000	\$0	\$0	\$0	\$0	\$0	\$110,000
	PA103	Programmatic Agreement– HPC Park Improvements	\$750,000	\$0	\$0	\$0	\$0	\$0	\$750,000
<b>Contract Total</b>			<b>\$62,681,000</b>	<b>\$30,503,000</b>	<b>\$11,740,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$104,924,000</b>
Contingenc Cont.	Contingency		\$54,000,000	\$140,000,000	\$53,000,000	\$36,000,000	\$86,000,000	\$0	\$369,000,000
<b>Grand Total</b>			<b>\$116,681,000</b>	<b>\$170,503,000</b>	<b>\$64,740,000</b>	<b>\$36,000,000</b>	<b>\$86,000,000</b>	<b>\$0</b>	<b>\$473,924,000</b>

# HART Requested Budget Detail

## Supporting Documents

## Operating Budget Comparison Between FY 2016 and FY 2017

**Honolulu Authority for Rapid Transportation  
Comparison of Operating Expense Budgets  
For Fiscal Year 2016 & 2017**

Budget Description	2016	2017	Change From FY 2016 Budget	
	Budget	Budget	Amount	%
<u>Labor Costs</u>				
Regular Pay	9,401,600	9,718,600	317,000	3.4%
Overtime, Night Shift, Temp Assign Pay	53,000	53,000	0	0.0%
Accumulated Lump sum Vacation Pay	42,000	42,000	0	0.0%
Fringe Benefits	4,326,400	4,470,600	144,200	3.3%
Service or Merit Awards	1,000	1,000	0	0.0%
OPEB Contribution	195,000	292,000	97,000	49.7%
<b>Labor Costs Sub-total</b>	<b>14,019,000</b>	<b>14,577,200</b>	<b>558,200</b>	<b>4.0%</b>
<u>Current Expenses</u>				
Advertising, Publication of Notices	45,000	35,000	(10,000)	0.0%
Audit Service Fee	80,000	80,000	0	0.0%
Communication Svcs	128,000	150,000	22,000	17.2%
Computer Software Maintenance Ageement	100,000	100,000	0	0.0%
Fees (Memberships, Registration & Parking)	50,000	50,000	0	0.0%
Insurance on Equip. & Gen. Liab.	73,000	73,000	0	0.0%
Legal Services	1,000,000	1,000,000	0	0.0%
Meals & Foods	6,500	6,500	0	0.0%
Office & Computer Supplies	150,000	130,000	(20,000)	0.0%
Other Fixed Charges (Stipend)	500,000	0	(500,000)	0.0% **
Other Repairs to Bldgs & Structures	5,000	5,000	0	0.0%
Parts / Equip	210,300	188,300	(22,000)	0.0%
Postage & Shipping	39,000	39,000	0	0.0%
Printing & Binding	1,500	11,500	10,000	666.7%
Professional Svcs. Direct Reimb	2,031,500	2,070,800	39,300	1.9%
Professional Svcs. Other	170,000	170,000	0	0.0%
R&M - Office Furniture & Equip	12,000	12,000	0	0.0%
Rentals	2,445,000	2,515,500	70,500	2.9%
Safety & Misc Supplies	6,000	6,000	0	0.0%
Telephone	40,000	60,000	20,000	50.0%
Travel Expense - Out-of-State	95,000	95,000	0	0.0%
Relocation - New Hires	0	0	0	0.0%
<b>Current Expenses Sub-total</b>	<b>7,187,800</b>	<b>6,797,600</b>	<b>(390,200)</b>	<b>0.0%</b>
<u>Equipment</u>				
Equipment & Software	6,000	6,000	0	0.0%
<b>Equipment Sub-total</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>21,212,800</b>	<b>21,380,800</b>	<b>168,000</b>	<b>0.8%</b>
<u>Debt Service</u>				
Interest Expense	8,000,000	10,000,000	2,000,000	25.0%
<b>Debt Service Sub-total</b>	<b>8,000,000</b>	<b>10,000,000</b>	<b>2,000,000</b>	<b>25.0%</b>
<b>Grand Total</b>	<b>29,212,800</b>	<b>31,380,800</b>	<b>2,168,000</b>	<b>7.4%</b>

\*\*Stipends for FY 2017 reflected in FY 2017 Capital Budget Request

## Adopted Prior Years Operating Expense Budget

Honolulu Authority for Rapid Transportation  
 Adopted Prior Years Operating Expense Budget  
 For Fiscal Year 2012 to 2016

Budget Description	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget
<b>Labor Cost</b>	<b>13,302,491</b>	<b>12,971,682</b>	<b>13,030,366</b>	<b>13,843,425</b>	<b>14,019,000</b>
Regular Pay	9,302,490	9,001,089	9,052,649	9,414,755	9,401,600
Overtime, Night Shift, Temp Assign Pay	38,000	53,000	70,480	68,500	53,000
Accumulated Lump sum Vacation Pay			14,000	26,500	42,000
Fringe Benefits	3,961,601	3,916,793	3,892,237	4,332,670	4,326,400
Service or Merit Awards	400	800	1,000	1,000	1,000
OPEB Contribution					195,000
<b>Current Expense</b>	<b>7,280,135</b>	<b>8,081,511</b>	<b>7,880,893</b>	<b>7,631,604</b>	<b>7,187,800</b>
Advertising, Publication of Notices	6,500	9,500	14,174	45,000	45,000
Audit Service Fee	53,300	60,000	60,000	60,000	80,000
Communication Svcs	88,160	164,580	170,000	170,000	128,000
Computer Software Maintenance Ageement		39,650	48,500	58,000	100,000
Fees (Memberships, Registration & Parking	53,750	48,180	50,000	50,000	50,000
Insurance on Equip. & Gen. Liab.		61,000	74,000	73,000	73,000
Legal Services		1,202,354	1,702,354	1,202,354	1,000,000
Meals & Foods	2,400	2,700	2,300	6,500	6,500
Office & Computer Supplies	78,550	129,300	150,000	150,000	150,000
Other Fixed Charges	3,027,545	1,000,000	500,000	500,000	500,000
Other Repairs to Bldgs & Structures		300,000	300,000	300,000	5,000
Parts / Equip	204,000	231,000	210,300	210,300	210,300
Postage & Shipping	36,000	36,000	39,000	39,000	39,000
Printing & Binding	1,500	1,500	1,500	1,500	1,500
Professional Svcs. Direct Reimb	1,500,000	2,079,868	1,982,031	2,044,307	2,031,500
Professional Svcs. Other	300,300	304,000	220,300	190,000	170,000
R&M - Office Furniture & Equip	2,800	2,800	5,000	12,000	12,000
Rentals	1,830,355	2,300,704	2,230,959	2,378,643	2,445,000
Safety & Misc Supplies	3,200	4,300	6,000	6,000	6,000
Telephone	9,300	21,600	32,000	40,000	40,000
Travel Expense - Out-of-State	82,475	82,475	82,475	95,000	95,000
<b>Equipment</b>		<b>16,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
Equipment & Software		16,000	6,000	6,000	6,000
<b>Total Operating Expenses</b>	<b>20,582,626</b>	<b>21,069,193</b>	<b>20,917,259</b>	<b>21,481,029</b>	<b>21,212,800</b>
<b>Debt Service</b>					<b>8,000,000</b>
Interest Expense					8,000,000
<b>Grand Total</b>	<b>20,582,626</b>	<b>21,069,193</b>	<b>20,917,259</b>	<b>21,481,029</b>	<b>29,212,800</b>

**Budget Vs Actual Expenditures - Multi-year Comparison**

Honolulu Authority for Rapid Transportation  
 Budget Vs Actual Expenditures - Multi-year Comparison  
 For Fiscal Year 2012 to 2015

Budget Description	FY 2012	FY 2013	FY 2014	FY 2015				FY 2016	FY 2017		
	Actual	Actual	Actual	Budget	Actual	Variance	Expended	Budget	Budget	From FY 16	Change
<b>Labor Cost</b>	<b>7,601,005</b>	<b>10,522,902</b>	<b>11,268,354</b>	<b>13,843,425</b>	<b>11,664,110</b>			<b>14,019,000</b>	<b>14,577,200</b>	<b>558,200</b>	<b>4%</b>
Regular Pay	5,435,707	6,822,425	7,448,730	9,414,755	7,755,444	-1,659,311	82%	9,401,600	9,718,600	317,000	3%
Overtime, Night Shift, Temp Assign Pay	77,347	70,554	118,849	68,500	148,163	79,663	216%	53,000	53,000	0	0%
Accumulated Lump sum Vacation Pay	13,826	107,648	163,568	26,500	2,866	-23,634	11%	42,000	42,000	0	0%
Fringe Benefits	2,074,125	3,522,065	3,537,207	4,332,670	3,757,566	-575,104	87%	4,326,400	4,470,600	144,200	3%
Service or Merit Awards		209		1,000	71	-929	7%	1,000	1,000	0	0%
OPEB Contribution						0	#DIV/0!	195,000	292,000	97,000	50%
<b>Current Expense</b>	<b>5,074,662</b>	<b>6,299,781</b>	<b>5,188,240</b>	<b>7,631,604</b>	<b>4,056,139</b>			<b>7,187,800</b>	<b>6,797,600</b>	<b>-390,200</b>	<b>-5%</b>
Advertising, Publication of Notices	6,274	39,004	27,672	45,000	21,659	-23,341	48%	45,000	35,000	-10,000	-22%
Audit Service Fee	40,500	40,500	62,530	60,000	56,000	-4,000	93%	80,000	80,000	0	0%
Communication Svcs	87,176	103,457	113,424	170,000	147,669	-22,331	87%	128,000	150,000	22,000	17%
Computer Software Maintenance Ageement	15,452	47,614	52,121	58,000	37,749	-20,251	65%	100,000	100,000	0	0%
Fees (Memberships, Registration & Parking)	33,192	45,856	42,414	50,000	47,206	-2,794	94%	50,000	50,000	0	0%
Insurance on Equip. & Gen. Liab.	8,468	14,190	126,490	73,000	65,647	-7,353	90%	73,000	73,000	0	0%
Legal Services	1,655,299	1,782,767	646,961	1,202,354	33,939	-1,168,415	3%	1,000,000	1,000,000	0	0%
Meals & Foods	1,165	6,468	9,780	6,500	6,199	-301	95%	6,500	6,500	0	0%
Office & Computer Supplies	123,469	45,511	51,089	150,000	51,226	-98,774	34%	150,000	130,000	-20,000	-13%
Other Fixed Charges				500,000		-500,000	0%	500,000	0	-500,000	-100%
Other Repairs to Bldgs & Structures	2,657	314	316	300,000		-300,000	0%	5,000	5,000	0	0%
Parts / Equip	93,872	19,506	97,636	210,300	11,253	-199,048	5%	210,300	188,300	-22,000	-10%
Postage & Shipping	8,705	7,517	3,628	39,000	9,002	-29,998	23%	39,000	39,000	0	0%
Printing & Binding	968		6,325	1,500	9,350	7,850	623%	1,500	11,500	10,000	667%
Professional Svcs. Direct Reimb	1,049,114	1,184,293	1,325,875	2,044,307	1,227,062	-817,245	60%	2,031,500	2,070,800	39,300	2%
Professional Svcs. Other	194,842	525,449	189,481	190,000	18,313	-171,687	10%	170,000	170,000	0	0%
R&M - Office Furniture & Equip	3,815	10,433	184	12,000	3,329	-8,671	28%	12,000	12,000	0	0%
Rentals	1,697,668	2,273,205	2,305,581	2,378,643	2,172,228	-206,416	91%	2,445,000	2,515,500	70,500	3%
Safety & Misc Supplies	7,080	4,991	2,550	6,000	3,105	-2,895	52%	6,000	6,000	0	0%
Telephone	20,302	37,019	24,623	40,000	54,676	14,676	137%	40,000	60,000	20,000	50%
Travel Expense - Out-of-State	62,098	72,153	99,560	95,000	80,527	-14,473	85%	95,000	95,000	0	0%
Adjustment		39,533				0	#DIV/0!			0	#DIV/0!
Relocation - New Hires	3,045					0	#DIV/0!			0	#DIV/0!
<b>Equipment</b>		<b>1,134</b>	<b>53,402</b>	<b>6,000</b>	<b>399</b>	<b>-5,601</b>	<b>0</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>	<b>0%</b>
<b>Total Operating Expense</b>	<b>12,675,667</b>	<b>16,823,817</b>	<b>16,509,996</b>	<b>21,481,029</b>	<b>15,720,648</b>	<b>-5,760,381</b>	<b>73%</b>	<b>21,212,800</b>	<b>21,380,800</b>	<b>168,000</b>	<b>1%</b>
<b>Debt Service</b>						0	#DIV/0!	<b>8,000,000</b>	<b>10,000,000</b>	<b>2,000,000</b>	<b>25%</b>
<b>Grand Total</b>	<b>12,675,667</b>	<b>16,823,817</b>	<b>16,509,996</b>	<b>21,481,029</b>	<b>15,720,648</b>	<b>-5,760,381</b>	<b>73%</b>	<b>29,212,800</b>	<b>31,380,800</b>	<b>2,168,000</b>	<b>7%</b>

## Budgeted Salary by Department for FY 2017

### Honolulu Authority for Rapid Transportation Budgeted Salary by Department for FY 2017

<b>Department</b>	<b>FTE for FY2017</b>	<b>Annual Salary FY2017</b>
Admin Services	11.1	734,000
Budget & Finance	9.5	722,000
Civil Rights	2.0	111,100
Contract Administration	7.0	553,700
Engineering & Construction	41.0	2,505,900
Exec Office	10.0	890,000
Government Relations	2.0	168,800
Operations	1.0	126,400
Planning, Utils& Permits	22.9	1,719,300
Procurement	6.0	417,500
Project Controls	13.0	699,500
Public Information	5.0	461,000
Quality Assurance	3.0	293,200
Safety	5.0	316,200
<b>Grand Total</b>	<b>139</b>	<b>9,718,600</b> **

\*\* Reflects HART staff salary costs only. (HDR consultant cost included in capital budget.)

Positions and FTEs

Honolulu Authority for Rapid Transportation

Positions and FTEs

For Fiscal Year 2016 & 2017

Department	HART Title	FTE for FY 2016	FTE for FY 2017	Change
<b>Admin Services</b>		<b>11.1</b>	<b>11.1</b>	<b>0</b>
	Administrative Specialist	1	1	0
	Asset Manager	1	1	0
	Data Processing Systems Analyst	1	1	0
	Director of Administrative Services	1	1	0
	Human Resource Specialist	1.1	1.1	0
	IT Support Tech	2	2	0
	Personnel Clerk	1	1	0
	Senior Clerk	1	1	0
	Multimedia Administrator	1	1	0
	Rapid Transit Project Network Administrator	1	1	0
<b>Budget &amp; Finance</b>		<b>9.5</b>	<b>9.5</b>	<b>0</b>
	Accountant	2	2	0
	Budget Analyst	1	1	0
	Chief Financial Officer	1	1	0
	Fiscal Officer	1	1	0
	Internal Control Analyst	2	2	0
	Secretary (Budget and Finance)	1	1	0
	Sr. Advisor & Risk Manager	0.5	0.5	0
	Budget Planner	1	1	0
<b>Civil Rights</b>		<b>2</b>	<b>2</b>	<b>0</b>
	Human Resources Specialist	1	1	0
	Civil Rights Officer	1	1	0
<b>Contract Administration</b>		<b>7</b>	<b>7</b>	<b>0</b>
	Change Order Specialist	2	2	0
	Lead Change Order Specialist	1	1	0
	Transit Contracts Manager	3	3	0
	Director of Contract Admin. & Change Mgmt	1	1	0
<b>Engineering &amp; Construction</b>		<b>41</b>	<b>41</b>	<b>0</b>
	Architect	1	1	0
	Architectural Manager	1	1	0
	Asst. Deputy Core Systems	1	1	0
	Deputy Director Design & Construction	1	1	0
	Deputy Director of Construction	1	1	0
	Deputy Director of Design	1	1	0
	Director of Design & Construction	1	1	0
	Mechanical Engineer (Core Systems)	1	1	0
	Project Manager	1	1	0
	Secretary (Core Systems)	1	1	0
	Secretary (Design)	1	1	0
	Utilities and Traffic Engineering Manager (Interim)	1	1	0
	PHTC Garage PPP Project Manager	1	1	0
	Asst. Deputy Director of Engineering & Construction	1	1	0
	East Area Construction Manager	1	1	0
	Civil Engineer	2	2	0
	Airport DB Asst. Project Manger	1	1	0
	R.O.C. Asst. Project Manager	1	1	0
	City Center DB Project Manager	1	1	0
	City Center DB Asst. Project Manager	1	1	0
	R.O.C. Project Manager	1	1	0
	WOFH/ KHG DB Project Manager	1	1	0
	KHSG/ H2R 2 RAMP Project Manager	1	1	0
	West Area Construction Manager	1	1	0
	Engineering Manager	1	1	0
	ELEV. ESC/ ON-CALL Contractor Project Manager	1	1	0
	Deputy Director Core Systems	1	1	0
	CAD/Document Manager, CADD/ Graphic Tech	1	1	0
	Electrical Engineer	2	2	0
	Mechanical Project Manager (Core Systems)	1	1	0
	Transportation Planner	1	1	0
	Utilities Engineer	1	1	0
	FHSG/ WOSG/ WO PNR & Ho'opili Project Manager	1	1	0
	Airport DB Project Manager (Airport and City Center Guideway)	1	1	0
	Traffic Engineer	1	1	0
	Secretary	1	1	0
	Secretary (Construction)	1	1	0
	Transit Art Coordinator	1	1	0
	Assistant Transit Arts Coordinator	1	1	0
<b>Exec Office</b>		<b>10</b>	<b>10</b>	<b>0</b>
	Board Administrator	1	1	0
	Deputy Executive Director	1	1	0
	Director of Special Projects	1	1	0
	Executive Director and CEO	1	1	0
	Fare Collection Project Manager	1	1	0
	Private Secretary (Deputy Director)	1	1	0

Honolulu Authority for Rapid Transportation  
Positions and FTEs  
For Fiscal Year 2016 & 2017

Department	HART Title	FTE for FY 2016	FTE for FY 2017	Change
	Private Secretary (Executive Director and CEO)	1	1	0
	Project Director	1	1	0
	Secretary	1	1	0
	Senior Clerk/ Receptionist	1	1	0
<b>Government Relations</b>		<b>2</b>	<b>2</b>	<b>0</b>
	Director of Government Relations	1	1	0
	Secretary (Government Relations)	1	1	0
<b>Operations</b>		<b>1</b>	<b>1</b>	<b>0</b>
	Director of Operations & Maintenance	1	1	0
<b>Planning, Utils &amp; Permits</b>		<b>22.9</b>	<b>22.9</b>	<b>0</b>
	Architectural Historian	1	1	0
	Deputy Director of Planning	1	1	0
	Deputy Director ROW	1	1	0
	Grants Manager	1	1	0
	Planner	1	1	0
	Planner (Right of Way)	3.4	3.4	0
	Right of Way Agent (Right of Way)	1	1	0
	Secretary (Planning Adm)	1	1	0
	Secretary (Planning)	1	1	0
	Secretary (ROW)	1	1	0
	Sustainability Planner	1	1	0
	Cultural Resources Planner/ Coordinator	1	1	0
	Environmental Planner	1	1	0
	Mitigation Compliance Planner	0.5	0.5	0
	Land Use Planner	1	1	0
	Systems Planning Manager	1	1	0
	Asst. Deputy of Transit Property Acquisition & Relocation	1	1	0
	Director of Planning, Permitting, and Right of Way	1	1	0
	Right of Way Agent	2	2	0
	Lead Permits/ HazMat Coordinator	1	1	0
<b>Procurement</b>		<b>6</b>	<b>6</b>	<b>0</b>
	Deputy Director of Procurement	1	1	0
	Procurement & Specification Specialist	3	3	0
	Procurement Clerk	1	1	0
	Director of Procurement	1	1	0
<b>Project Controls</b>		<b>13</b>	<b>13</b>	<b>0</b>
	Fiscal Analyst (Project Controls)	1	1	0
	IT Support Tech (CMS)	2	2	0
	Management Analyst	1	1	0
	Project Controls Manager	1	1	0
	Project Manager (Scheduler)	1	1	0
	Record Management Analyst	1	1	0
	Records Management Analyst	1	1	0
	Senior Clerk	1	1	0
	Senior Project Controls Analyst	1	1	0
	Assistant Project Controls Manager	1	1	0
	CMS Training Specialist	1	1	0
	Lead Scheduler	1	1	0
<b>Public Information</b>		<b>5</b>	<b>5</b>	<b>0</b>
	Director of Communications	1	1	0
	Information Specialist	1	1	0
	Information Specialist	2	2	0
	Public Relation Assistant	1	1	0
<b>Quality Assurance</b>		<b>3</b>	<b>3</b>	<b>0</b>
	Director of Quality Assurance & Quality Control	1	1	0
	Quality Assurance Engineer (Civil)	1	1	0
	Quality Assurance Engineer (Electrical)	1	1	0
<b>Safety</b>		<b>5</b>	<b>5</b>	<b>0</b>
	Chief Safety and Security Officer	1	1	0
	Safety Certification Manager	1	1	0
	Safety Specialist	1	1	0
	System Safety & Security Engineer	2	2	0
<b>Grand Total</b>		<b>139</b>	<b>139</b>	<b>0</b>

Honolulu Authority for Rapid Transportation  
 Vacant Positions  
 As of September 4, 2015

<b>Department</b>	<b>FTE</b>
<b>Admin Services</b>	<b>1.0</b>
<b>VACANT</b>	
Personnel Clerk	1.0
<b>Budget &amp; Finance</b>	<b>1.0</b>
<b>VACANT</b>	
Accountant	1.0
<b>Engineering &amp; Construction</b>	<b>6.0</b>
<b>VACANT</b>	
City Center DB Project Manager	1.0
City Center DB Asst. Project Manager	1.0
KHSG/ H2R 2 RAMP Project Manager	1.0
West Area Construction Manager	1.0
Electrical Engineer	1.0
Traffic Engineer	1.0
<b>Operations</b>	<b>1.0</b>
<b>VACANT</b>	
Director of Operations & Maintenance	1.0
<b>Planning, Utils&amp; Permits</b>	<b>1.0</b>
<b>VACANT</b>	
Planner	1.0
<b>Procurement</b>	<b>1.0</b>
<b>VACANT</b>	
Procurement & Specification Specialist	1.0
<b>Project Controls</b>	<b>1.0</b>
<b>VACANT</b>	
Lead Scheduler	1.0
<b>Public Information</b>	<b>1.0</b>
<b>VACANT</b>	
Information Specialist	1.0
<b>Quality Assurance</b>	<b>1.0</b>
<b>VACANT</b>	
Quality Assurance Engineer (Civil)	1.0
<b>Safety</b>	<b>2.0</b>
<b>VACANT</b>	
Safety Certification Manager	1.0
Safety Specialist	1.0
<b>Grand Total</b>	<b>16</b>

Honolulu Authority for Rapid Transportation  
 FY 2017 Capital Budget including Re-Appropriation Project Listing

Cost Type	CPP Number	Contract Name	Proposed FY 2017
Contract	DBB600	Park-and-Ride Lots Construction	\$ 5,351,000
	HART201	HART Expenses & ODC	\$ 20,000
	MI930	Project-wide Elevator / Escalator Design-Furnish-Install-Op.	\$ 15,354,000
	MM913	General Engineering Consultant, Construction (GEC-3)	\$ 15,197,000
	MM920	HDOT Coordination Consultant - West Oahu/Farrington Section	\$ 750,000
	MM921	HDOT Coordination Consultant – Kamehameha Section	\$ 1,000,000
	MM922	HDOT Coordination Consultant - Airport Section	\$ 2,000,000
	MM930	HDOT State Safety Oversight Agency (SOA) Consultant	\$ 591,000
	MM937	ROW Engineering Support Services (inc. Mapping & Surveying)	\$ 1,498,000
	MM940	Kako'o Consultant	\$ 400,000
	MM946	On-Call Hazardous Materials (HazMat) Removal Contractor	\$ 1,075,000
	MM947	On-Call Contractor 2	\$ 1,000,000
	MM951	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	\$ 8,000,000
	MM962	Core Systems Contract Oversight Consultant	\$ 8,770,000
	MM964	Safety & Security Certification Consultant	\$ 800,000
	MM975	LEED Commissioning Services for MSF	\$ 15,000
	PA101	Programmatic Agreement– Humanities Program	\$ 110,000
PA103	Programmatic Agreement– HPC Park Improvements	\$ 750,000	
<b>Contract Total</b>			<b>\$ 62,681,000</b>
Contingency	Cont.	Contingency	\$ 54,000,000
<b>Sub-Total</b>			<b>\$ 116,681,000</b>

**Major Potential Reappropriations**

Cost Type	CPP Number	Contract Name	Potential Reappropriations as of 9/1/2015
Contract	ART	Project-wide Art	\$ 3,500,000
	DB275	Pearl Highlands Garage, Bus Terminal (PHTG) + H2 Ramp DB	\$ 242,900,000
	DB450	Airport section Guideway and Station Group (AGSG) DB	\$ 644,054,000
	DB550	City Center Section Guideway and Station Group (CCGS) DB	\$ 659,139,000
	DBB371	Kamehameha Highway Station Group (KHSG) Construction	\$ 134,983,000
	ROW	Real Estate/Right-of-Way Acquisition	\$ 75,000,000
	UTIL	New Utilities or Relocations by Private Utility Owners	\$ 25,000,000
<b>Contract Total</b>			<b>\$ 1,784,576,000</b>
Contingency	Cont.	Contingency	\$ 200,000,000
<b>Contingency Total</b>			<b>\$ 200,000,000</b>
<b>Sub-Total</b>			<b>\$ 1,984,576,000</b>
<b>Total Requested Including Re-Appropriations</b>			<b>\$ 2,101,257,000</b>

Costs Reported as of Month Ending: August 2015  
**Project Monthly Cost Report by Contract - One Line Summary**

CPP No	Title		A	B	C=A+B	D	E	F
			Original	Changes	Current *	AFE AFE**	INCURRED Incurred To Date	PERCENT %
ART	ART Contracts	T&M	0	0	0	0	0	0%
CCH-100	Inactive Hart/City CCH		15,348,443	0	15,348,443	0	14,925,228	97%
CCH-101	HART/ City Dept of BFS		105,092	0	105,092	0	0	0%
CCH-102	HART/ City DDC Land Division		256,201	0	256,201	0	173,182	68%
CCH-107	HART/ City Corporation Counsel (COR)		1,662,880	0	1,662,880	0	146,078	9%
CCH-108	HART / Board of Water Supply (BWS)		928,325	0	928,325	0	928,325	100%
DB-120	West Oahu/Farrington Hwy Guideway DB	SOM	482,924,000	148,282,384	631,206,384	631,206,384	451,533,978	72%
DB-200	Maintenance & Storage Facility DB	SOM	195,258,000	79,620,772	274,878,772	207,909,506	215,270,970	78%
DB-320	Kamehameha Hwy Guideway DB	SOM	372,150,000	16,667,654	388,817,654	388,817,654	159,847,073	41%
DB-450	Airport Section Guideway and Sta. DB	SOV	100,000	0	100,000	0	62,932	63%
DBB-171	West Oahu Station Group DBB	SOV	56,088,470	0	56,088,470	0	0	0%
DBB-185	SPCD - West Side SG Construction	SOV	0	0	0	0	0	0%
DBB-271	Farrington Highway Station Group DBB	SOV	78,999,000	0	78,999,000	78,999,000	0	0%
DBB-275	SPCD-Pearl Highlands Pkg. Str Cnstr.	SOV	0	0	0	0	0	0%
DBB-385	H2R2 Ramp	SOV	5,203,646	0	5,203,646	5,203,646	0	0%
DBB-450	SPCD-Airport Section Utility Reloc.		0	0	0	0	0	0%
DBB460	SPCD-Airport Guideway/Util Cnstr.		0	0	0	0	0	0%
DBB-470	SPCD-Airport Station Group Cnstr.	SOV	0	0	0	0	0	0%
DBB-505	Airport Section Utilities Cnstr.	SOV	28,413,974	0	28,413,974	28,413,974	5,279,921	19%
DBB-510	City Ctr Section Utilities Cnstr DBB	SOV	0	0	0	0	0	0%
DBB-520	SPCD-Airport-City Center Gdway Cntr.	SOV	0	0	0	0	0	0%
DBB-525	Airport Section Guideway 7 Pier Cnstr	SOV	3,973,000	508,241	4,481,241	4,481,241	3,796,241	85%
DBB-550	SPCD-City Segment Util Relocations		0	0	0	0	0	0%
DBB-560	SPCD-City Center Guideway Cnstr.		0	0	0	0	0	0%
DBB-570	SPCD-Dillingham Stat Group Cnstr.		0	0	0	0	0	0%
DBB-572	SPCD-City Center Station Constr.		0	0	0	0	0	0%
DBB-580	SPCD-Dillingham/Kaka'ako SG Cntr.	SOV	0	0	0	0	0	0%
DBB-600	Park-and-Ride Lots Construction	SOV	0	0	0	0	0	0%
DBOM-920	Core Systems Design Build O/M	SOM	573,782,793	21,280,894	595,063,687	579,148,675	143,620,180	24%
FD-140	West Oahu Station Group FD	SOM	7,789,000	2,225,305	10,014,305	9,793,311	9,094,052	91%
FD-240	Farrington Highway Stations Group FD	SOM	9,300,696	4,897,349	14,198,045	13,855,393	12,546,293	88%
FD-245	SPCD-Pearl Highlands Pkg. Str. FD	SOM	0	0	0	0	0	0%
FD-340	Kamehameha Hwy Station Group FD	SOM	8,702,592	933,698	9,636,290	9,605,016	8,843,841	92%

\* Current Committed = Original Contract + CCO/Amendment

\*\* AFE = Authorized For Expenditure (Latest NTP Amounts or equal to current commitment Plus Executed Change Orders/Amendments)

Costs Reported as of Month Ending: August 2015  
**Project Monthly Cost Report by Contract - One Line Summary**

CPP No	Title		A	B	C=A+B	D	E	F
			Original	Changes	Current *	AFE	INCURRED	PERCENT
						AFE**	Incurred To Date	%
FD-430	SPCD -Airport Sect. Guideway/Util FD	SOM	38,840,960	4,293,512	43,134,472	43,134,472	41,008,758	95%
FD-440	SPCD - Airport Station Group FD	SOM	10,177,365	1,494,840	11,672,205	10,734,146	9,801,978	84%
FD-530	SPCD - City Center Guideway/Util FD	SOM	43,948,220	2,235,303	46,183,523	43,567,202	40,284,180	87%
FD-542	SPCD-City Center Stations (3), FD		0	0	0	0	0	0%
FD-550	SPCD - Dillingham and Kaka'ako SG FD	SOM	18,321,918	986,124	19,308,042	15,732,737	10,667,500	55%
FD-600	Park-and-Ride Lots Final Design	SOM	0	0	0	0	0	0%
HRT-200	HART Labor		40,951,942	0	40,951,942	0	41,610,603	102%
HRT-201	HART ODC Contracts		15,759,154	0	15,759,154	0	16,577,274	105%
MI-900	Fare Collection DFI	MI	0	0	0	0	0	0%
MI-930	Elevators & Escalators Install/Maint	SOM	50,982,714	0	50,982,714	5,442,108	4,503,158	9%
MM-180	SPCD-West Oahu/Farrington Stat CEI		0	0	0	0	0	0%
MM-280	SPCD-WOFH/KHSG CE&I (REPACKAGED)	CPFF	0	0	0	0	0	0%
MM-290	Construction Engrg & Inspection West	CPFF	54,232,480	0	54,232,480	16,650,000	14,390,510	27%
MM-385	SPCD-Pearl Highlands Garage Rmps CEI	CPFF	0	0	0	0	0	0%
MM480	SPCD-Airport Guideway/Utilities CEI		0	0	0	0	0	0%
MM-500	SPCD-By MM959 CEI East	CPFF	0	0	0	0	0	0%
MM-525	SPCD-By MM959 CEI East	CPFF	0	0	0	0	0	0%
MM-580	SPCD-City Center Guideway/Util CEI		0	0	0	0	0	0%
MM-590	SPCD-By MM959 CEI East	CPFF	0	0	0	0	0	0%
MM-595	SPCD - Const. Engrg & Insp. East	CPFF	63,083,417	-47,826,417	15,257,000	(32,569,417)	11,059,211	72%
MM-600	SPCD-UHWO Pkg-Hoopili Stn Fnsh CEI	CPFF	0	0	0	0	0	0%
MM-900	Program Mgt Support Conslt (PMSC-1)	CPFF	36,727,162	0	36,727,162	20,700,000	0	0%
MM-901	Program Mgt Support Conslt (PMSC-2)	CPFF	33,376,897	7,616,377	40,993,274	34,297,167	34,090,427	83%
MM-905	MM-905 Gen Engrg Conslt EIS/PE	CPFF	0	78,564,942	78,564,942	78,564,942	74,157,822	94%
MM-910	MM-910 Gen Engrg Conslt FD-Construct	CPFF	150,000,000	0	150,000,000	150,000,000	149,446,962	100%
MM-913	MM-913 Gen Engrg Re compete	CPFF	46,143,277	0	46,143,277	13,078,208	19,945,438	43%
MM-915	HDOT Traffic Mgmt. Consult.	T&M	1,600,000	1,400,000	3,000,000	4,000,000	2,674,423	89%
MM-920	HDOT Coordination Conslt WOFH	T&M	3,000,000	7,500,000	10,500,000	10,000,000	6,316,890	60%
MM-921	HDOT Coordination Conslt KHG	T&M	10,000,000	-1,400,000	8,600,000	5,000,000	3,558,004	41%
MM-922	HDOT Coordination Conslt. Airport	T&M	12,000,000	-5,600,000	6,400,000	3,000,000	2,236,596	35%
MM-923	HDOT Coordination Conslt City Center	T&M	0	0	0	0	0	0%
MM-925	HDOT Labor - WOFH/KHG Agreements	T&M	550,000	1,265,633	1,815,633	3,081,266	1,530,186	84%
MM-926	HDOT Labor - Airport Agreements	T&M	0	0	0	0	0	0%

\* Current Committed = Original Contract + CCO/Amendment

\*\* AFE = Authorized For Expenditure (Latest NTP Amounts or equal to current commitment Plus Executed Change Orders/Amendments)

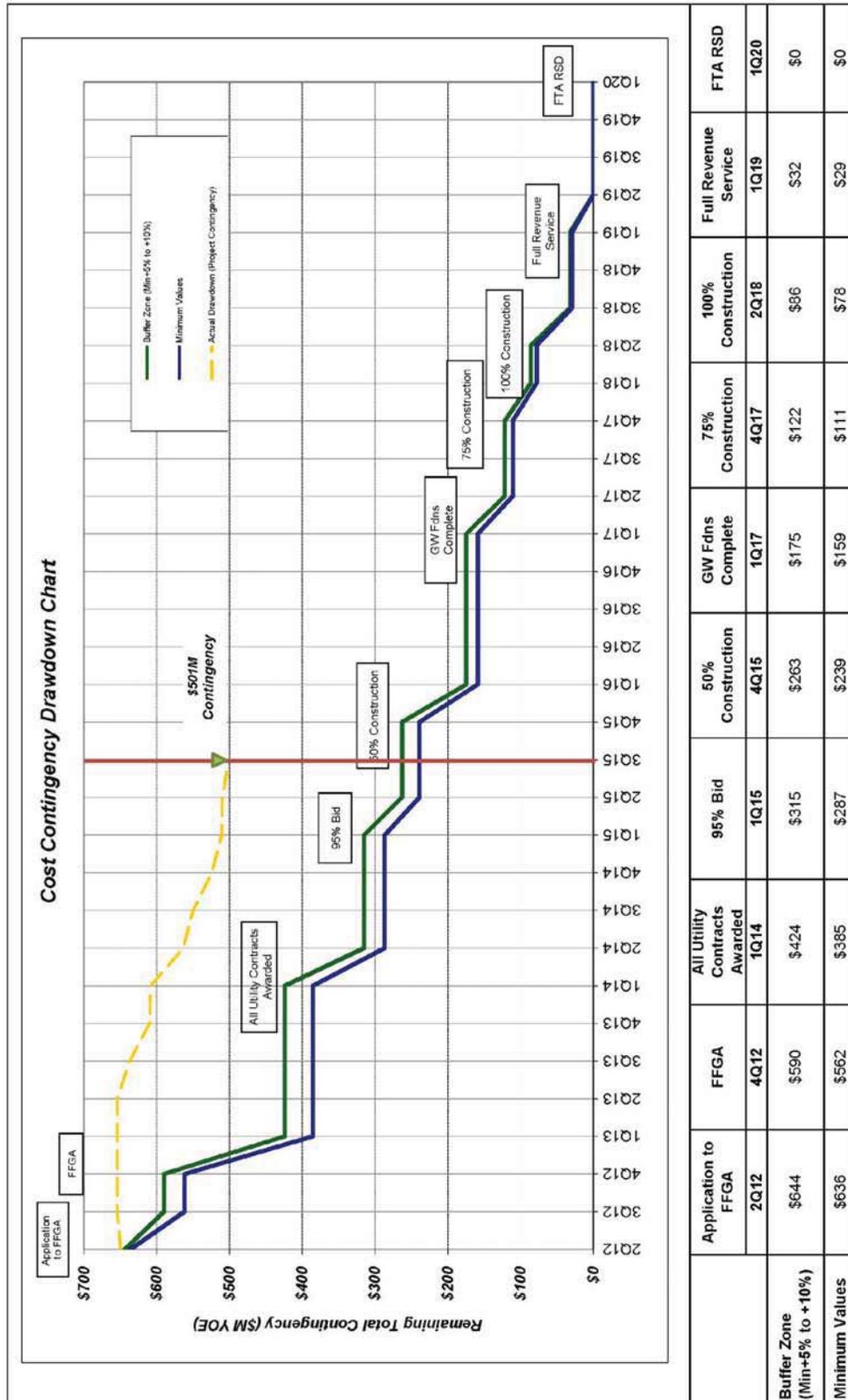
Costs Reported as of Month Ending: August 2015  
**Project Monthly Cost Report by Contract - One Line Summary**

CPP No	Title		COMMITTED			AFE	INCURRED	PERCENT
			Original	Changes	Current *	AFE**	Incurred To Date	%
MM-930	HDOT State SOA Manager & Consultant	T&M	1,272,400	583,142	1,855,542	843,167	783,335	42%
MM-935	Real Estate Consultant	T&M/TI	3,000,000	3,327,665	6,327,665	4,817,665	5,075,173	80%
MM-937	Real Estate Consultant - Maps/Surv.	CPFF	2,998,000	0	2,998,000	1,500,000	508,128	17%
MM-940	Kako'o Consultant	T&M/TI	1,000,000	0	1,000,000	500,000	506,139	51%
MM-945	On-Call Contractor	T&M/TI	1,000,000	999,951	1,999,951	1,799,951	1,646,552	82%
MM-946	On-Call Hazmat Removal Contractor	T&M/TI	3,075,000	0	3,075,000	1,000,000	1,979,897	64%
MM-947	On-Call Contractor 2	T&M/TI	7,500,000	0	7,500,000	1,000,000	868,685	12%
MM-950	OCIP Consultant	FFF	1,250,000	0	1,250,000	1,250,000	903,125	72%
MM-951	Owner-Controlled Insurance Program	FFF	41,000,000	0	41,000,000	0	21,534,368	53%
MM-960	Archeological & Cultural Monitoring	T&M	1,010,609	0	1,010,609	1,010,609	872,479	86%
MM-962	Core Systems Support	CPFF	43,988,989	0	43,988,989	3,600,000	10,101,405	23%
MM-964	Safety and Security Consultant	FFF	4,699,573	112,751	4,812,324	2,612,751	2,295,556	48%
MM-975	LEED Commissioning Services for MSF	T&M	278,630	9,910	288,540	288,540	79,835	28%
OTHER	All Project Wide Documents		0	0	0	0	0	0%
PA-101	Programmatic Agreement Humanities	PA	0	0	0	0	0	0%
PA-102	Programmatic Agreement HPC	T&M/TI	400,000	0	400,000	200,000	172,325	43%
PA-103	Programmatic Agreement HPC Park Impr	PA	0	0	0	0	0	0%
ROW	Real Estate / Right-of-Way		89,885,511	0	89,885,511	121,992	80,531,186	90%
UTIL	Utility Company Contracts	T&M	91,526,631	17,142,123	108,668,755	88,016,065	33,635,211	31%
<b>Total Project:</b>			<b>2,764,566,960</b>	<b>347,122,152</b>	<b>3,111,689,113</b>	<b>2,490,407,369</b>	<b>1,671,421,611</b>	

\* Current Committed = Original Contract + CCO/Amendment

\*\* AFE = Authorized For Expenditure (Latest NTP Amounts or equal to current commitment Plus Executed Change Orders/Amendments)

Figure 6. Draft Cost Contingency Drawdown Chart



Data as of 7/31/15 - July '15 Reporting Period

Note: Contingency management and cost contingency details, including a breakdown of Project contingency drawdowns, are discussed in further detail in Appendix B.

## ATTACHMENT B

# Change Order 0018

## 9-Month Delay Claim Resolution

# Proposed Action

- **Authorizes the Chief Executive Officer to execute Change Order 00018 with Ansaldo Honolulu Joint Venture for the settlement of the Core Systems Contractor's nine (9) month delay claim and includes the full reconciliation of its Best and Final schedule (pre-Notice to Proceed [NTP]) and post-NTP baseline progress schedule in the amount of \$8,700,000.**

# Core Systems Fiscal Information

**Allocated Contingency**

**\$67,432,099**

Previously Executed Change Orders / Credits	- \$21,280,893
Net Contingency Transfer(s) to/from Unallocated Contingency	+ \$8,317,350
<b>Available Contingency</b>	<b>\$54,468,556</b>
Cost of this Action	- \$8,700,000
<b>Remaining Contingency after Execution of this Action</b>	<b>\$45,768,556</b>

# **Nine-month Delay Claim**

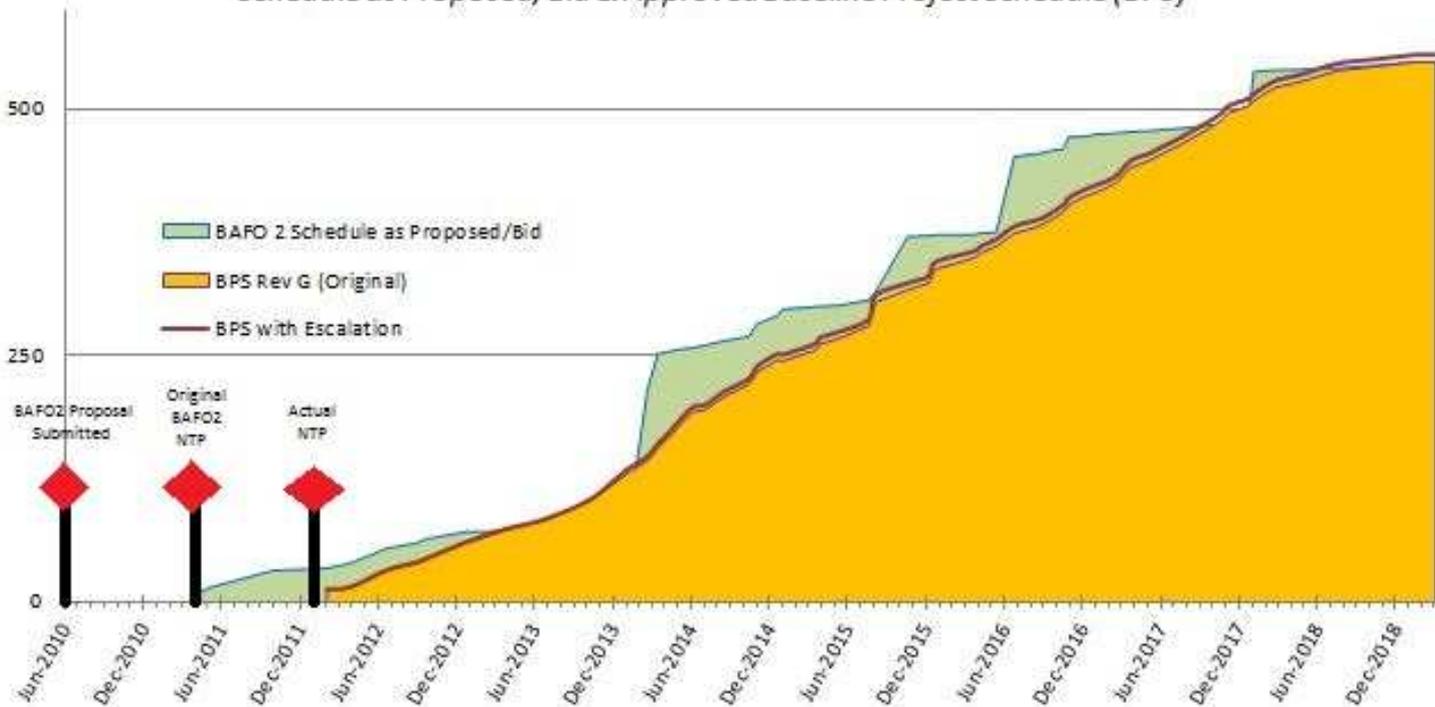
## **Key Feature Summary**

- **HART issued Notice of Award to Ansaldo Honolulu Joint Venture (AHJV) on March 11, 2011**
- **Notice to Proceed (NTP) expected and as identified in the contract documents, no later than April, 11 2011**
- **NTP issued on January 13, 2012**
- **Total days delay in issuance of NTP, 277 days**

# Delay in Notice to Proceed

Schedule as Proposed/Bid & Approved Baseline Project Schedule (BPS)

SCHEDULE OF ACTIVITIES (\$M)



- BAFO2 Technical, Price and Schedule Proposal submitted to the City of Honolulu in **June 2010**
- Proposal Documents defined Notice to Proceed as **April 2011**
- Actual Notice to Proceed was issued in **January 2012** due to a bid protest
- Full Opening Completion was maintained in the Approved Baseline Schedule requiring certain activities to be accelerated.

# Nine-month Delay Claim Background

- **The Core Systems Contract is a Firm Fixed Price contract.**
- **The Contractor has affirmed their commitment to perform the defined scope of work in the time defined in the contract for the sum of the Firm Fixed Price as submitted with their Proposal.**

# Nine-month Delay Claim

## Background

- **Often the Owner will assume market fluctuation risk by including an Economic Price Adjustment clause in the contract that allows for price adjustment payments based on changes in certain pre-defined indexes; PPI or CPI.**
- **This contract did that but only for the Full Operations and Maintenance Phases of the contract.**
- **The Contractor had the responsibility to price into their price proposal their expected market fluctuations and to balance that with the objective of winning the contract that has a certain amount of price components that were taken into account when awarding the contract.**
- **Because we structured the contract without the Economic Price Adjustment clause the impact in pricing of the work is being calculated and formed the basis for our the negotiations and compensation of this change order.**

# Nine-month Delay Claim Justification

- **The delay in issuance of NTP was due to bid protests filed by the unsuccessful Core Systems Offerors, for which a stay on the award of the contract was in effect until the DCCA Hearings Officer's decisions regarding the protests were issued.**
- **The delay was an event beyond the control of the Core Systems Contractor and HART.**

# Nine-month Delay Claim

## Independent Cost Estimate (ICE)

- **HART ICE determined escalation costs based on a comparison of the delay in schedule activities between the Baseline Project Schedule (BPS) – Rev. G and the BAFO BPS**
  - **Activity mid-point dates from the two schedules are analyzed to determine the specific delay impact for each activity.**
  - **Escalation costs are then calculated on the prorated annual escalation rate based on the specific delay impact calculated for the activity.**
  - **The escalation rate utilized are shown on the next slide.**
- **ICE Low and High Range for Negotiations: \$7,274,707 and \$9,406,486**

# Nine-month Delay Claim Escalation Index Evaluation

Cost Factor	ICE	PMOC Spot Report 2010 – 2019 *
Labor	2.88% (Low) 4.67% (High)	4.67%
Materials	3.30%	3.30%

\*Escalation values from Table 5-7, Recommended Escalation Factors, FTA PMOC CLIN 0005: Spot Report, Dated July 2009. A review of both labor and material index performance from NTP to today indicate that the labor and material rates identified in the 2009 report are still valid.

\*\* 2.88% Labor Escalation Rate was the rate utilized in AHJV bid proposal and found in their Escrow bid documents.

# Nine-month Delay Claim

## Contractor Proposed Cost (CPC) Estimate (\$ million)

➤ Financial Impact Cost:	\$2.03
➤ Delay Escalation Cost:	\$12.14
➤ Financial Review Cost:	\$0.03
➤ Expert Review Cost:	\$0.04
➤ Preparation Cost:	\$0.19
➤ G.E.T.:	\$0.68
➤ Interest:	\$1.32
➤ OH&P	<u>\$0.04</u>
➤ TOTAL:	\$16.48

# Nine-month Delay Claim

## Summary of Negotiations

➤ CPC	\$16,478,561
➤ HART ICE Low	\$7,274,707
➤ HART ICE High	\$9,406,486
➤ Settled Amount	\$8,700,000

**This Contract Change Order is for the settlement of the Core Systems Contract's nine (9) month delay claim and includes full reconciliation of its Best and Final schedule (pre-Notice to Proceed) and baseline progress schedule (post-NTP).**

Mahalo!

# Nine-month Delay Claim Background

## Contract Baseline

- **NTP key Core Systems completion milestones**
  - **Intermediate Opening #1 – December 15, 2015**
  - **Intermediate Opening #2 – October 15, 2017**
  - **Full Opening – March 15, 2019**
- **NTP was based on Contract's expected Access Dates for all Fixed Facilities**

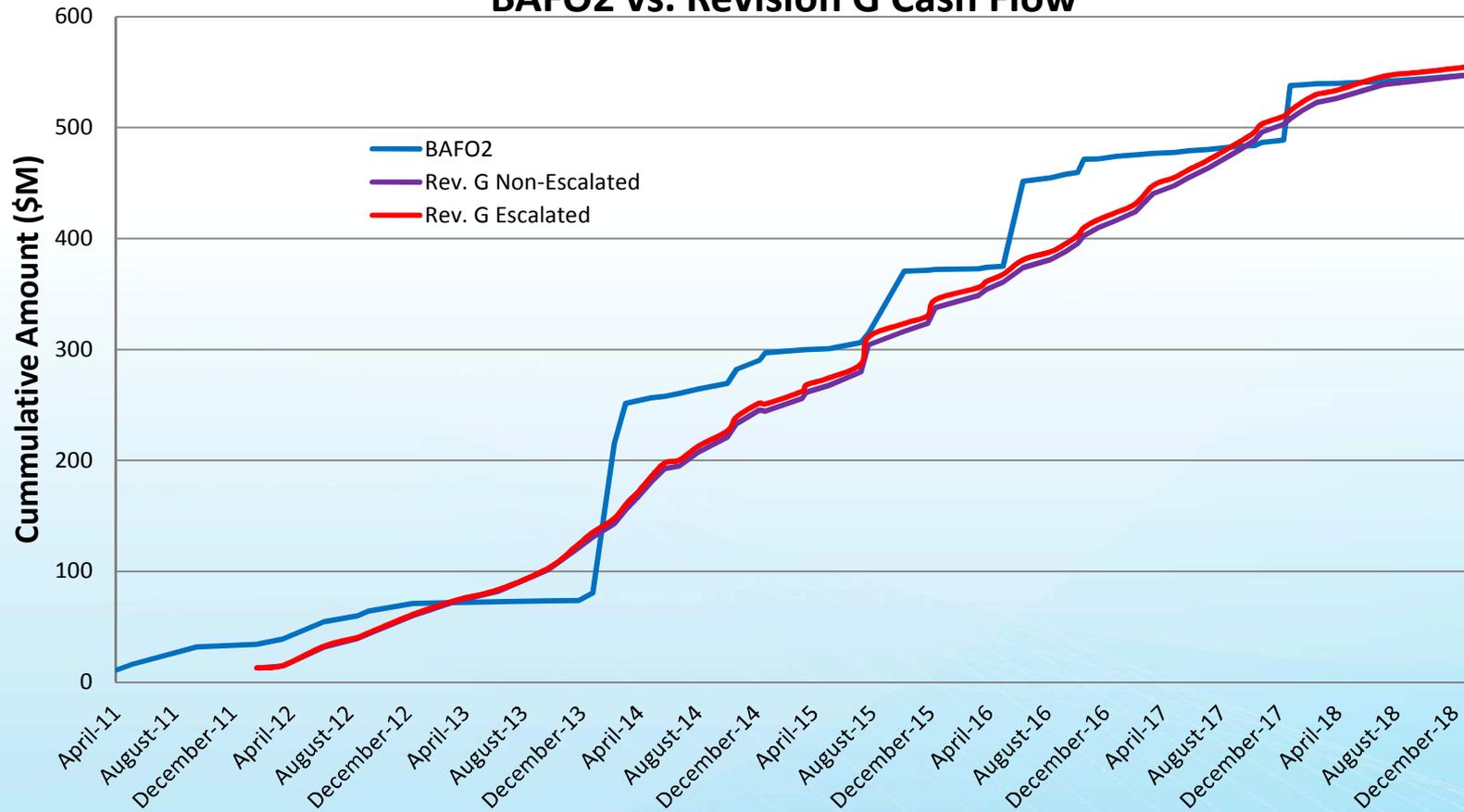
# Nine-month Delay Claim Background

## Baseline Project Schedule (BPS)

- February 17, 2012 - AHJV submitted its Initial BPS
- March 1, 2012 – HART provided “Accepted as Noted” of Initial BPS
- March 1, 2012 - HART issued revised Fixed Facilities access dates and key milestones
- November 30, 2012 - HART accepted BPS - Rev. G
  - Revised Fixed Facilities access dates
  - Revised Intermediate Opening #1 and Intermediate Opening #2 dates
  - Original Full Opening date

# Cash Flow Comparison

BAFO2 vs. Revision G Cash Flow





HONOLULU AUTHORITY for RAPID TRANSPORTATION

August 27, 2015

**TO:** HART Board of Directors

**THROUGH:** Daniel A. Grabauskas  
Executive Director and CEO 

**FROM:** Charles S. Carnaggio  
Officer-in-Charge   
Justin Garrod, Project Manager 

**SUBJECT:** 9 Month Delay Claim Resubmittal  
Core Systems Design-Build-Operate-Maintain  
Contract No.: CT-HRT-1200106

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

FINANCE  
COMMITTEE MEMBERS

Ivan M. Lui-Kwan, Esq.  
CHAIR

George I. Atta  
Michael D. Formby  
Ford N. Fuchigami  
Donald G. Horner

PROJECT OVERSIGHT  
COMMITTEE MEMBERS

Colleen Hanabusa  
CHAIR

Damien T.K. Kim  
VICE CHAIR

Michael D. Formby  
William "Buzz" Hong  
Donald G. Horner  
Ivan M. Lui-Kwan, Esq.

### Overview

This Change Order No. 18 is for the settlement of the Core Systems Contractor's nine (9) month delay claim and includes the full reconciliation of its Best and Final schedule (pre-Notice to Proceed [NTP]) and post-NTP baseline progress schedule.

### Recommendation

It is recommended that HART approve Contract Change Order No. 18 for a cost amount of \$8,700,000.

### Justification

This Contract Change Order resolves the Contractor's claim for cost escalation due to the nine (9) month delay between the expected NTP date and the actual NTP date. The delay in issuance of NTP was due to bid protests filed by the unsuccessful Core Systems Offerors, for which a stay on the award of the contract was in effect until the DCCA Hearings Officer's decisions regarding the protests were issued. The delay was an event beyond the control of the Core Systems Contractor and the additional

HART Board of Directors  
Page 2  
August 27, 2015

compensation provided by this Change Order covers the reasonable and verifiable additional direct costs incurred by the Contractor because of the delay.

**Fiscal Impact**

The cost of \$8,700,000 was not part of the Core Systems Design-Build-Operate-Maintain contract. This cost amount will be covered by the Contract's allocated contingency funds. After the execution of this change order the balance of allocated contingency funds will be \$45,878,576.

## ATTACHMENT C

## MEMORANDUM

TO: Mike Formby  
DTS

FROM: Michael Burns  
Transportation Consultant

DATE: August 25, 2015

SUBJECT: Summary of August 20 Telephone Conversation; Initial Observations

The purpose of this memorandum is to document my discussion with DTS Director Formby and to provide initial observations and suggestions garnered from my preliminary review of certain HART reports and my brief trip to Honolulu. It is important to note that these observations are not the result of in depth analysis and research. Nor have they been reviewed by any party involved with the project. As such they should be considered personal initial views and suggestions.

The discussion is organized into major categories, followed by my observation (O) and suggestion (S).

BUDGET – During my trip to Honolulu, I was asked for some keys to keeping a project on budget. Key areas based on my experience include:

- 1) Schedule. Keeping a project on a good, enforceable schedule is a significant tool in maintaining budget. Schedule drives budget. O – My sense, confirmed by HART reports, is that construction progress on the project is significantly behind schedule. Using HART reports, I cannot reconcile the individual construction progress information with the Master Project Schedule Summary. The result is an overall appearance of the project being close to schedule. This could only be the case if substantive, effective corrective action plans are in place to “catch up” to planned schedules. S – Adopt a realistic, achievable project schedule and raise the profile of schedule adherence at the Board. See further discussion below.
- 2) Minimize Owner Initiated Change Orders. This requires solid, complete definition of plans and expectations in bid documents.
- 3) Get Utility relocation work done as soon as possible. S – If there are projected delays in future contract awards look to the potential to advance utility relocations, including analysis of the cost benefit of providing resources to utility companies to accomplish the relocation work.
- 4) Third Party Agreements and approvals and receipt of certification(s) of work completed by outside agencies (public safety, local agencies) can be budget busters. Bring third parties in during the work to minimize the potential for unexpected requirements and demands.

## BOARD OF DIRECTORS

O- The Board work should have a primary focus: The Project. My quick assessment of HART Board meetings is that they do not have a consistent theme of review and oversight of major project elements- schedule, budget, issues of concern, upcoming work, etc. Every Board agenda has some aspect of the above, but there isn't a common Agenda item addressing the overall project. S- Create a standing agenda item that discusses overall schedule, budget, issues, etc. I would say that discussion of this item should consume a fairly significant portion of the meeting, say 25% to 50% of the time for a "normal" meeting. Also, Contractor reporting and appearance before the Board would help in creating a record of their performance as well as having the Board gain familiarity with the key staff. O- The Board and the Staff should work closer together to evaluate, analyze and address issues and solve problems earlier in their manifestation.

S- This could fall into a "nice to have" category but I would recommend that the Board look to re-locate it's meetings out of the room where the meetings are normally held. The room is small, not laid out well for the public, staff and some Board members to view staff presentations. A more formal, comfortable meeting space would, I believe, enhance participation.

## HART MONTHLY PROGRESS REPORT

This is an excellent report with exhaustive data and information on the project. O – While the report is comprehensive, it is difficult to identify key significant issues to the overall project progress as well as material changes from the previous report. The report contains substantial information on schedule and budget, however, it is somewhat overwhelming to the point of overload. S – Add a brief, (No more than 2 page) summary "scorecard" or other easily readable format at the front of the report that highlights significant changes (positive and negative) from the previous report, significant project related issues, issues with third parties, FTA, community concerns, etc. Perhaps a consistent format, with sections for overall contract status (schedule, budget, etc.) further structured by major contract could be created.

## SCHEDULE

As referenced throughout this report, schedule is key to delivering the project on budget. Comprehensive schedule information is contained in the Progress Report, however corrective action plans for addressing schedule delays in individual contracts are referenced but not explained. S – The Board and HART staff should schedule a Board Workshop where schedule issues can be discussed and specific action plans developed. The goal should be a reasonable, achievable schedule from which the Board and Staff can manage the project.

## OTHER OBSERVATIONS/ SUGGESTIONS

-With the project divided into multiple contract groupings and a key overall core systems contractor (AHJV), systems integration is something to be concerned about. Increased reporting to the Board on systems integration efforts is warranted.

-Consideration should be given to incorporating an Auditor General Role into the HART Organizational structure. The AG Should be a Board appointment, with dotted line responsibility to the HART CEO. AG work plans should be created and adopted by the Board, with input from the HART staff.

## WORK PLAN

M. Formby has asked that I looked into the following:

- 1) Continue to investigate budget/schedule adherence methods.
- 2) Report on risks of pursuing Design Bid Build and Design Build project delivery.
- 3) Explore value and use of partially completed designs by DB contractors.
- 4) Review and provide input on potential Business Interruption Plans.

M. Formby and I will plan to meet in San Francisco on October 7<sup>th</sup>. My next trip to Honolulu will be after Oct. 7<sup>th</sup>.

Michael Burns  
Transportation Consultant