



# HART

## Proposed FY2017 Business Plan

Board of Directors Presentation

May 12, 2016

# FY2017 Business Plan Chapters

- Executive Summary
- Business Strategy – HART’s mission, goals & performance measures
- FY2016 Highlights
- FY2017 Work Program
- HART’s Organization Development Strategy
- Financial Strategy, Plans & Budgets
- Appendices – performance measures, organization charts, project background, financial information

# Agency Status FY2016

- No new litigation
- Strong federal support & funding to come
- Continued high interest in transit oriented development
- Approval of GET extension provides financial stability to finish the project
- Big challenges & risks - escalating construction costs & utility relocations
- Cost estimate @ \$6.8 billion pending update
- Schedule changes – 2019 interim operations & 2022 full operations

# Project Status FY2016

- Project currently about 45% complete
  - 7 miles of guideway up with track installed over 4.5 miles
  - Contracts awarded for 9 westside stations; saved \$38 million in re-packaging
  - Rail Operations Center basically completed
  - First trainset delivered & presently in testing
  - Outstanding 0.16 per 200,000 work hrs. on-the-job injury rate
  - 90% of land area needed acquired; \$7 million under budget
  - Utility relocations underway along 10 miles of guideway
  - 1550 jobs created so far

# Project Status FY2016

## (Continued)

- Financial management
  - Extension of GET surcharge to 2027 approved
  - \$1.31 B federal funding committed; \$573 M received to date
  - \$1.38 B GET collections to date; behind projections by \$40 million
  - Clean financial audit; one finding on Davis-Bacon contractor submissions
  - Short term cashflow issues to manage project advancement
  - Owner Controlled Insurance Program (OCIP) in place
- TOD planning underway at all stations
- Planning for future operations underway with DTS
  - Key fare system decisions made – joint bus & rail fare collection system using account based smart card technology & bus card readers
  - Bus system restructuring planning
  - Coordination and/or consolidation of administration & support functions

# FY2017 Top Priorities

- Cost containment and change order oversight
- Risk mitigation
- Schedule adherence and
- Enhanced communications and transparency

# FY2017 Work Program

## ■ Project implementation

- Construction underway on all 9 westside stations
- By year-end, 10 miles of guideway in place with track installed & systems installation underway
- Complete utility relocations into Airport segment
- Occupancy of Rail Operations Center and delivery of 2nd trainset
- Advance fare collection system final design
- Achieve 100% contractor access to all properties needed for construction
- Obtain necessary permits for Airport and Center City sections
- Monitor construction for presence of *iwi kupuna* & permit compliance
- Award remaining construction contracts

# FY2017 Work Program

(Continued)

## ■ Key Construction Contracting actions

- Airport Guideway and Stations design-build contract
- Center City Guideway and Stations design-build contract
- Park-n-Ride lots for UH – West Oahu & East Kapolei stations
- Pearl Highlands Garage P3 and contracting decision

# FY2017 Work Program

(Continued)

## ■ Project management

- Staffing level of 139 positions; same as for past four years
- Update HART's Financial Plan by mid-fiscal year to reflect latest cost and revenue estimates
- Issue first short term debt to meet cashflow needs
- Continue emphasis on safety and security
- Follow-up on audit reports recommendations
- Update HART's procurement policies & procedures and contract administration policies & procedures
- Issue quarterly change order report
- Staff training in key areas of project & agency management
- Continued efforts to increase DBE participation

# FY2017 Policy Decisions

- Financial Plan update mid-way thru FY2017
- Final decision on how to proceed with the Pearl Highlands Parking Garage including feasibility of possible public-private partnership
- Key Fare Policy decisions by the middle of FY2017 to guide fare collection system final design configuration and features
- Various decisions concerning the future operations of the integrated rail and bus transit system including:
  - Customer service and administration functions
  - Rail contractor oversight requirements
  - Policing of the rail line
- Progress on how the O&M costs of the future bus-rail system will be covered
- A decision on when to proceed with planning for future extensions

# Project Challenges and Risks

- Continued high level of local construction impacting labor, material & equipment availability and costs
- Schedule impacts from delays
  - Timely availability of construction sites for contractors
  - Timely approval of needed permits and utility relocations
  - Delays in awarding contracts
- Timely issuance short-term debt
- Actual vs. projected GET receipts in the future

# *Mahalo!*

