



HONOLULU AUTHORITY for RAPID TRANSPORTATION

November 10, 2016

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**TO:** HART Board of Directors

**THROUGH:** Brennon T. Morioka   
Acting Executive Director

**FROM:** Chris Takashige   
Director of Design and Construction  
Officer-in-Charge

Kai Nani Kraut   
West Area Construction Manager

**SUBJECT:** Request for Change Order Approval: KHG – HDOT Traffic Signal and Intersection Improvements Cost Update  
Contract No. CT-HRT-11H0195

**Overview**

If approved by the HART Board of Directors ("the Board"), this Contract Change Order would compensate the Kamehameha Highway (KHG) Guideway Project Design Builder, Kiewit Infrastructure West Company ("Design-Builder"), for additional work relating to HDOT- required Traffic Signal and Intersection Improvements in the amount of \$2,016,959.00.

This issue was originally presented to the Board on March 17, 2016, for approval of a unilateral contract change order in the amount of \$7,703,000.00 in order to initiate work to upgrade traffic control devices and other intersection improvements required by HDOT. As noted at the March 2016 Board Meeting, the Design-Builder and HART were unable to agree on a cost; therefore, HART staff recommended issuance of a unilateral change order. Work performed by the Design-Builder would be monitored and tracked by HART on a Force Account basis in order to provide fair and equitable compensation.

The Design-Builder's original cost proposal was \$10,199,000.00. HART's independent cost estimate was \$7,036,000.00. The Design-Builder subsequently reduced the cost proposal amount to \$9,719,959.00. HART's independent cost estimate was updated to \$9,604,849 based on further evaluation of projected costs for maintenance of traffic, operations management, and direct supervision/engineering management.

Subsequent discussions/negotiations with the Design-Builder has resulted in a bilateral agreement in the amount of \$9,719,959.00, which is an additional \$2,016,959 above the approved unilateral contract change order amount of \$7,703,000.00. Therefore, the request herein is for approval of the additional

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\$2,016,959.00, which covers the projected costs for maintenance of traffic, operations management, and direct supervision/engineering management.

**Justification**

Compensation is for additional maintenance of traffic, operations management, and direct supervision/engineering management of the craft labor. This additional cost is based on actual work performed to date.

**Recommendation**

HART staff recommends that the Board approve this Contract Change Order in the amount of \$2,016,959.00 to compensate the Design-Builder for additional work.

**Fiscal Impact**

There will be no cost to HART. HDOT will reimburse HART for this Change Order cost and provide funds as established in the KHG Master Agreement executed on October 11, 2013, and further detailed and committed to in the Memorandum of Understanding between HDOT and HART executed on February 29, 2016.