



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: WOFH – Time Related Overhead
Contract No. CT-HRT-10H0137

Overview

If approved by the HART Board of Directors ("the Board") this Contract Change Order would extend the West Oahu Farrington Highway (WOFH) Guideway Project's Substantial Completion Date by 107 calendar days, from November 16, 2016, to March 3, 2017, and would compensate the Design-Builder, Kiewit Infrastructure West Company (Design-Builder), for all time-related overhead for the period of July 1, 2016, through March 3, 2017, by payment of an additional \$4,000,000.00.

The Design-Builder submitted the original Contract Change Request in June 2012 requesting compensation of \$10,483,590.00 relating to time-related overhead costs. The Design-Builder stated that the estimated time extension associated with the Leeward Community College (LCC) design and LCC Right of Entry (ROE) issues would extend the substantial completion date by 195 calendar days. By cost proposal dated April 11, 2016, the Design-Builder reduced the requested compensation amount to \$5,347,945.00 and the time extension request to 107 calendar days from July 1, 2016, to a substantial completion date on May 4, 2017. On July 12, 2016, HART issued a unilateral change that extended the substantial completion date from July 1, 2016, to November 16, 2016, without compensation for the additional time-related overhead. HART's evaluation of the issues and subsequent discussions/negotiations with the Design-Builder has resulted in agreement to reduce the requested compensation amount to \$4,000,000.00 with a total time extension of 245 calendar days from July 1, 2016, for a substantial completion date of March 3, 2017.

Justification

The extended time period is due to:

- 1) Change Orders for LCC on the critical path:
 - a. Previous Changes Orders associated with HART's direction to Design-Builder to switch from the relocation of existing portable buildings to the procurement, delivery, and installation of new portable classroom buildings only resolved change costs and specifically noted that time would be addressed in a separate change order. The unresolved time and schedule impacts are being addressed in this Contract Change Order.
 - b. Changes to the design and construction of the LCC access structure.

- 2) Other awarded change work such as safety sidewalks, disposal of contaminated materials, relocation of fiber cables, and work associated with Site Systems Adjustments also affected the contractor's schedule for completing the base scope work and shall be done concurrently with this change.

Compensation is for extended overhead for staff and supervision including quality control, safety, equipment, craft expenses, and time-related direct expenses. This Contract Change Order addresses all changes and known issues associated with the extended time on the WOFH contract, in particular impacts due to work at LCC site, including time related overhead for TPSS Site System Adjustments for the period July1, 2016, through March 3, 2017.

Recommendation

HART staff recommends that the Board approve this Contract Change Order in the amount of \$4,000,000.00 to compensate the Design-Builder for all time-related overhead costs for the period July 1, 2016, through March 3, 2017. These changes are new items not addressed in any prior executed change orders.

It should be noted that the recommended compensation is approximately 25 percent lower than Design-Builder's final requested compensation.

HART staff also recommends that the Board approve the extension of the Contract Substantial Completion Date through March 3, 2017.

Fiscal Impact

Allocation from WOFH budget contingency is required to fund this change value of \$4,000,000.00.