Request Approval for Contract Change Order 38
Contract No. CT-HRT-1500236
Farrington Highway Station Group

APRIL 2020
Purpose

- Request approval for an increase of $20,802,899 to the Farrington Highway Station Group construction contract.
- This change order is a consolidated resolution of all Hawaiian Dredging’s outstanding claims and issues.
- Includes an extension of the contract completion date on or about May 30, 2020.
- The contract will increase from $97,486,980 to $118,289,879.
- These additional funds will come out of budgeted reallocated west side contingency for the contract, and the total cost of the Project without finance costs remains at $8.165 billion.
Background

- Hawaiian Dredging Construction Company (HDCC) was awarded the Farrington Highway Station Group construction contract for $78,999,000 on June 22, 2015.
- The original contract was for 29 months.
- Thirty-six Contract Change Orders (CCOs) have been awarded to date.
- Most of the issues for the increased costs are due to legacy design and interface changes, inefficiency impacts, and time delay.
- The current value of the contract is $97,486,980.
Outside counsel provided an independent analysis of HDCC’s claims.

HART’s exposure in litigating these claims significantly exceeds the value of the settlement.

This change resolves HDCC issues and claims/potential claims totaling in excess of $40 Million Dollars.
Change Order Considerations

- Proposed Contract Change Order (CCO) No. 00037 are based on the outcome of negotiations with HDCC to resolve listed outstanding change orders, requests for changes, claims, and issues.

- Negotiated amount is based on both substantiated changes, claims, and potential HART exposure to changes and claims from award through February 24, 2020.

- This CCO does not address some remaining small scopes of work still being developed. (<=$500,000)
Benefits to HART

- Elimination of future claims and project delays.
- Avoidance of future litigation fees, consultant fees, and interest accumulation for items addressed in the agreement.
- Cooperation between HDCC and HART for the remaining construction work and for expeditious project closeout.
- Mutual agreement on substantial completion dates supporting HART’s Interim Opening goals.
Requested Action

- Approve Contract Change Amendment in the amount of $20,802,899 to close outstanding claims and issues.
- HART previously forecasted for this Change Order and it is within the budget line item and sufficient funding is available in the Project budget. Unallocated contingency is not required to be used for this change.
- There is no change in the Project Budget of $8.165 billion.
- Affirmation in progress
Mahalo!
# Cost Impact of the Change Order

## Farrington Highway Station Group

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract</td>
<td>$78,999,000</td>
</tr>
<tr>
<td>Current Value</td>
<td>$97,486,980</td>
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<tr>
<td>Proposed Amendment</td>
<td>$20,802,899</td>
</tr>
<tr>
<td>Total Contract Value</td>
<td>$118,289,879</td>
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</tbody>
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