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PMOC MONTHLY REPORT

Honolulu High-Capacity Transit Corridor Project
City and County of Honolulu
Honolulu, HI

August 2010 (FINAL)

PMOC Contract Number: DTFT60-09-D-00012
Task Order No. 2: Honolulu High-Capacity Corridor Project
Project No: DC-27-5140
Work Order No. 1
OPs Referenced: OP 1 and 25

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Length of Time Assigned: Five Years (November 18, 2009 through November 17, 2014)

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1.0 EXECUTIVE SUMMARY

1.1 Project Description

- **General Description:** The Project is a 20-mile elevated fixed guideway rail system along Oahu's south shore between East Kapolei and Ala Moana Center. This Project is based on the Airport Alignment, which includes 21 stations. The alignment is elevated, except for a 0.5-mile at-grade portion at the Leeward Community College station. The Project is planned to be delivered in four guideway segments.
- **Length:** 20 miles
- **No. of Stations:** 21
- **Additional Facilities:** Maintenance and Storage Facility (MSF) and parking facilities
- **Vehicles:** 76 vehicles
- **Ridership Forecast:** 97,500 weekday boardings in 2019; 116,300 weekday boardings in 2030

1.2 Project Status

- Project was approved to enter Preliminary Engineering (PE) on October 16, 2009.
- The Notice of Availability of the Final Environmental Impact Statement (FEIS) was published in the Federal Register on June 25, 2010. The comment period has been extended to August 26, 2010.

(Note: Full details on the status of all contracts discussed below are provided in Appendix B.)

- The City had previously indicated that procurement of the General Engineering Consultant (GEC) contract (GEC II) had been cancelled due to the length of time that had elapsed between submittal of proposals and the proposed date for selection. However, they have now decided to allow the proposers to "refresh" their proposals. This will allow the consultants that submitted proposals an opportunity to provide the City with the most current staffing available rather than submitting substitution of personnel whose expertise and experience are equivalent to that which would have been provided by the originally listed personnel. The City originally received three proposals for the GEC contract. The City may finalize selection of the GEC prior to issuance of the Record of Decision (ROD) following completion of the FEIS publication process.

Amendment #4 of the initial GEC contract (GEC I) was issued on February 28, 2010 to extend the period of performance 120 days (until June 30, 2010). This amendment included an authorized budget increase of \$12 million, bringing the total contract value to \$115.9 million.

The pre-PE costs for the GEC I contract were approximately \$88.6 million. The \$27.3 million balance covers the GEC I contract from approval to enter PE through

June 30, 2010. The City will issue another contract amendment to extend the GEC I contract until December 31, 2010 and authorize another increase in the budget of \$18 million (\$3 million per for six months). The total contract value could increase to \$133.9 million if the full period of performance for amendment is needed.

- A Design-Build (DB) Contract for the West Oahu/Farrington Highway (WOFH) Guideway was awarded to Kiewit Constructors on November 18, 2009. The City issued Notice to Proceed (NTP) #1 on December 1, 2009. The City issued NTP #1A on March 11, 2010. They then issued NTP #1B on March 23, 2010 authorizing interim design activities. The City issued NTP #1C to Kiewit on June 7, 2010 to authorize test and demonstration drilled shafts for the elevated guideway.
- Request for Proposal (RFP) Part 1 for the Kamehameha Highway Guideway DB Contract was issued on November 18, 2009, with responses received on January 5, 2010. Two contractors were approved to receive RFP Part 2, which was issued on March 19, 2010. A final addendum will be issued by the City on August 9, 2010, with proposals due on September 9, 2010. Prices will be valid for 180-days from receipt. The City will make a selection in September 2010. The City has indicated that they will not award this contract until after receipt of a ROD.
- RFP Part 1 for the MSF was issued on May 28, 2009. RFP Part 2 was issued on July 24, 2009. Six offerers submitted proposals under RFP Part 1 and four offerers were approved to receive RFP Part 2 by the City. Proposals were received on February 17, 2010 and were valid for 180-days from receipt. The City issued a letter of intent to award the MSF contract to Kiewit/Kobayashi Joint Venture on June 24, 2010 in the amount of \$195 million. A letter of intent of award does not trigger the City to issue NTP as an award letter would do. The City's cost estimate was \$254 million. The price proposal expires on August 16, 2010, but the City will send a letter to Kiewit/Kobayashi requesting an extension of their pricing until March 15, 2011. The City has indicated that an award will not be made until after receipt of a ROD.
- RFP Part 1 for the Vehicles/Core Systems Design-Build-Operate-Maintain Contract (CSC) was issued on April 8, 2009. Three offerers submitted proposals under RFP Part 1. RFP Part 2 was issued to all three offerers on August 17, 2009. Proposals were received on June 7, 2010 and are valid for 180-days from receipt. The City has scheduled a first meeting with each offeror the week of August 9, 2010 to address technical and quality components of their proposals. If the City considers requesting a Best and Final Offer, selection will likely occur in late fall 2010. However, the City has indicated that they will not award this contract until after receipt of a ROD.

1.3 Technical Capacity Review

The table in Section 2.3 presents the status of key required management deliverables.

1.4 Schedule

- **Preliminary Engineering (PE):** FTA Approval to Enter PE on October 16, 2009
- **Record of Decision:** Publication of the FEIS, which must precede the ROD, occurred on June 25, 2010
- **Revenue Operations Date (ROD):** August 2019 (current City target)

1.5 Cost Data

The Project Budget submitted with the City's request to enter PE is as follows:

Base Cost Estimate	\$3.838 billion
Total Contingency	\$1.219 billion (31.8% of Base Cost Estimate)
Finance Charges	\$0.290 billion
Total Project Cost	\$5.348 billion

Additional project costs include the following:

Pre-PE Expenditures	\$0.082 billion
Financing Charges	\$0.103 billion (post-revenue operations)
Grand Total Project Cost	\$5.532 billion

The City is preparing a bottoms-up cost estimate for the Project. It is anticipated that a draft estimate will be available for review by the PMOC in September 2010. The PMOC will provide an over the shoulder review of the bottoms-up cost estimate with the City in October 2010. The PMOC will provide their opinion and comments to the City during this over the shoulder review. A final bottoms-up cost estimate is then anticipated to be provided to the PMOC in November 2010.

1.6 Issues or Concerns

The following key issues or concerns have been identified:

- Regarding DB procurement prior to completion of NEPA process, Federal Register, Volume 72, No. 12 dated January 19, 2007, states on Page 2590:

“The project sponsor must receive prior FTA concurrence (A) Before issuing the RFP and (B) awarding a design-build contract. Should the project sponsor proceed with any of the activities specified in this section before the completion of the NEPA process, FTA's concurrence merely constitutes FTA's acquiescence that any such activities complies with Federal requirements and does not constitute project authorization or obligate Federal funds, unless otherwise provided by FTA.”

The City did not seek FTA concurrence prior to issuing RFP Part 2 for the WOFH DB Contract. In addition, the City began procurement for three additional DB contracts (Kamehameha Highway, MSF and Vehicle/Core Systems) prior to completion of the NEPA process. The City has indicated that they will not award any additional DB

contracts prior to issuance of the ROD. However, if the City elects to award any of the contracts and issue an initial NTP prior to completion of the NEPA process, they must ensure that it complies with the requirements identified in Federal Register, Volume 72, No. 12 dated January 19, 2007 for DB procurement.

- The City must remain cognizant of the limits of the pre-award authority granted with the receipt of ROD. The City intends to issue multiple NTPs for its DB contracts. However, as noted in a December 1, 2009 letter to the City, the FTA will consider LONPs for activities not covered by automatic pre-award authority on a case-by-case basis following issuance of the ROD.
- The City has received four “Written Notice of Project Change” from Kiewit (WOFH DB Contractor):
 - (1) The first notice involves cost for insurance coverage. The City intended to implement an Owner Controlled Insurance Program (OCIP) for the project, as stipulated in Special Provisions 3.1 of the contract. However, procurement of an Insurance Consultant to help manage the OCIP was delayed due to protests. The City has indicated that a Request for Proposals for an OCIP contractor will be issued in August 2010, with selection targeted by the end of 2010. This potential change will address any insurance coverage until such a time that the OCIP can be initiated.
 - (2) The second notice is a result of time delays experienced with the issuance of Notice to Proceeds (NTP) subsequent to March 17, 2010 as stipulated in the contractual documents.
 - (3) The third notice is for material escalation changes for rebar price increases. A price adjustment for short supply materials using ENR index formulas will be used as stipulated in the contractual documents.
 - (4) The fourth notice is for delay due to Hawaii Department of Transportation reviews.
- The executed agreement for the WOFH DB Contract calls for issuance of all four NTPs within 120 calendar days of the December 1, 2009 NTP #1 date. Since that requirement was not met, the City reviewed Kiewit’s schedule of milestones and the baseline schedule to determine whether there has been a schedule or a cost impact. The City officially approved Kiewit’s schedule on April 30, 2010. The City also formally responded on April 28, 2010 to Kiewit’s request for change resulting in delay of NTP 2, 3 and 4. In their response, the City provided revised dates for Kiewit to assess the impacts of delays in the issuance of those NTPs. Specifically, the revised dates provided by the City to be used in Kiewit’s assessment are as follows:
 - NTP #2 – July 15, 2010
 - NTP #3 – September 15, 2010
 - NTP #4 – December 15, 2010

Subsequent to the April 28, 2010 letter, the City has indicated that a letter will be sent to Kiewit stating that NTPs #2, 3 and 4 will not occur until March 2011. The PMOC has noted to the City that this date is still be aggressive and may be untenable given the requirements that must be met prior to issuance of any LONPs.

- The current MPS (data date of March 26, 2010) indicates issuance of a ROD on May 28, 2010 and approval to enter Final Design on January 20, 2011. The City must develop a Master Project Schedule (MPS) that reflects realistic dates for all key milestones identified in the FTA Roadmap for Final Design. The City should also accurately portray any impacts to the DB contract that has been awarded or the three DB contracts that are under procurement.

The City indicated at the August 2010 Progress Meeting that they will be revising their MPS to reflect more realistic dates for all activities. It is anticipated that a draft of the revised MPS will be available for an “over the shoulder” review in October 2010. A revised baseline MPS is then anticipated to be provided to the PMOC in November 2010.

- The City must execute a license agreement with the Department of Hawaiian Homelands (DHHL) to construct the MSF on the Navy Drum Site. To do so, the City first executed a Memorandum of Agreement (MOA) in March 2010. The License Agreement will be executed following ROD. The City has stated that it is not aware of any issues from the DHHL, that the Navy has cleaned the site, and that there are no limitations on the proposed use of the site. If any hazardous materials are found during construction, the DHHL is required to clean the site per the agreements. The PMOC has recommended that the License Agreement be provided to the FTA and PMOC for review prior to execution.

2.0 BODY OF REPORT

2.1 Grantee's Capabilities and Approach

2.1.1 Technical Capacity and Capability

The PMOC has identified "capacity" issues as key City and Project Management Consultant (PMC) management positions remain vacant or vacated due to retention challenges stemming from the project's geographic location and other related issues. Several of the City positions are currently filled by "Acting" or "Interim" staff members from the PMC team. While these temporary solutions may fill immediate voids, the PMOC believes that the resource demands associated with the PE and Final Design phases of a \$5 billion project require full time and concentrated attention and continuity within the Grantee's organization for smooth transition into future phases.

The City's long term strategy is to hire locally and have the PMC train new City staff using the consultant's expertise in an effort to ensure that the new hires are capable of managing the City's consultants effectively. The PE Entry Readiness Report identified several key positions that the City should focus on filling:

- Chief Project Officer
- Manager of Quality Assurance
- Manager of Safety and Security
- Chief Project Controls
- Contracts Administrator

The only key position that has been filled by a City employee at this time is the Deputy Project Officer for Controls and Administration, which is a position above the Contracts Administrator. This position was added following completion of the PE Entry Readiness Report.

Although there is no set timetable for replacing the PMC with City staff, the City has begun developing a Staffing Plan and has begun to advertise city positions currently filled by the PMC. The need for PMC staff will diminish as the City fills key management positions. Until such time, it will be necessary for the City will to continue supplementing its staff with PMC staff.

The City is actively recruiting the following staff:

- Planner VI "Financial and Grants Management"
- Utilities Engineer
- Secretary "Public Information Branch"
- Right-of-Way Manager

The City has recently added the following staff:

- CAD Draftsman
- Secretary II, Public Information

The City (23 positions) and PMC (18 positions) have added 41 staff members to the Project since 2009. A total of 79 positions are authorized by the City this year, and the City will be adding 31

more positions next fiscal year (Fiscal Year (FY) 2011 budget approved by the City Council (9-0 vote) on June 9, 2010) for a total of 110 positions.

The City has yet to complete development of several management tools that should be in place given they have executed one DB contract and have others pending. These include Document Control Procedures, Change Order Procedures, Internal Reporting Procedures, and Quality-assurance/quality control (QA/QC) procedures. The City is working towards drafts of these documents, but they must be made a priority.

It is the PMOC's professional opinion that the Project organization, staffing, and management approach provides the technical capability to support the City's initial implementation of the project during PE. However, significant technical capacity issues remain as several key City management positions remain vacant or filled by interim City or PMC employees sharing multiple duties. The PMOC has recommended that the City identify additional key positions (other than those identified in the PE Entry Readiness Report and listed above) that should be filled by City employees. These positions should be identified in the Staffing Plan and should be a priority for recruitment. The PMOC will review the key positions identified by the City when the updated Staffing Plan is made available. In addition, the City must complete development of the procedures necessary to properly manage this project before any consideration for advancement to Final Design should be considered.

2.1.2 Project Controls for Scope, Quality, Schedule, Cost, Risk and Safety

System Safety and Security

- The State of Hawaii has established Executive Order No. 10-05 effective April 6, 2010, designating the State Department of Transportation (HDOT) as the State of Hawaii Rail Fixed Guideway Oversight Agency.
- Revision 2.0 of the Safety and Security Management Plan (SSMP) and Revision 0 of the Safety and Security Certification Plan (SSCP) were submitted to the PMOC for review on April 5, 2010. The PMOC reviewed and provided comments to the City on April 28, 2010. A conference call was held with the City on May 14, 2010 to provide them with further clarification to the PMOC's comments provided. The intent of the PMOC comments was to assist the City with updating the documents prior to Final Design.
- The PMOC intends to hold a safety and security workshop that could include representatives from FTA Region IX as well as FTA Headquarters. The PMOC's is looking to hold a workshop in the 1st Quarter of 2011.

2.1.3 Compliance with Applicable Statutes, Regulations, Guidance and FTA Agreements

National Environmental Policy Act (NEPA)

- The Notice of Availability of the Final Environmental Impact Statement (FEIS) was published in the Federal Register on June 25, 2010. The comment period has been extended to August 26, 2010.
- At this time, the timeframe for issuance of an ROD cannot be determined.

Letters of No Prejudice (LONP)

- The City is still developing an LONP approach for the Project. In a December 1, 2009 letter to the City, the FTA clarified its policies and procedures related to LONPs. The letter states, “After completion of NEPA, FTA will consider LONPs for activities not covered by automatic pre-award authority on a case by case basis. Absent of pre-award authority or an LONP, no project cost can be incurred and be eligible for reimbursement or as local matching for any portion of the entire 20 mile alignment.”
- The most critical LONP that will be requested by the City is for the WOFH DB Project. Kiewit’s approved schedule indicates construction starting in the fall of 2010. However, based on the LONP checklist the City will need an ROD, updated cost estimate, updated schedule, Risk Assessment, Risk and Contingency Management Plan, and Financial Management Plan before an LONP could be considered by the FTA. It is the PMOC’s professional opinion that the City may not receive an LONP to start construction until mid-2011. The FTA will consider LONPs for activities not covered by automatic pre-award authority on a case-by-case basis following completion of the NEPA process.

2.2 Project Scope

The Project is a 20-mile fixed guideway rail system along Oahu’s south shore between East Kapolei and Ala Moana Center. This Project is based on the Airport Alignment, which currently includes 21 stations. The alignment is elevated, except for a 0.5-mile at-grade portion at the Leeward Community College Station. The Airport alignment will average a total of 97,500 weekday boardings at the Revenue Operations Date in the year 2019 and 116,300 weekday boardings in the year 2030. It will provide two significant areas with potential for Transit Oriented Development, one near the Airport and one in the surrounding industrial areas. It is anticipated that the initial fleet will include 76 “light metro” rail vehicles.

2.2.1 Status of Design/Construction Documents

The City has developed a Compendium of Design Criteria for all design elements along with its standard specification and standard and directive drawings. These items have now been made available to the PMOC for review although the City has noted that some sections are being revised and will be made available to the PMOC when complete. The PMOC’s initial review finds these documents to be well prepared. The PMOC’s detailed review of all design and design support documents is ongoing and will be completed in advance of the City’s request to enter Final Design. The design status of each contract package is discussed in Appendix B.

The City held a Value Engineering Workshop the week of April 19-23, 2010, which the PMOC attended as an observer. The focus of the workshop was originally to include the Airport Segment Guideway and Utilities, City Center Segment Guideway and Utilities, and station packages. However, the City has subsequently determined that the workshop will only focus on the station packages. The objective of the VE workshop was to provide value engineering for six stations along the alignment – West Loch, Pearl Highlands, Aloha Stadium, Kalihi, Downtown, and Ala Moana Stations, representing elevated stations with and without concourses, direct access stations, and unique stations. As part of VE, the team was expected to consider not just

ways of cutting costs, but also ways to reduce project risks, enhance operations, and bring to light any improvement opportunities that may exist. The GEC will provide the City with a draft VE report of workshop findings and recommendations in August 2010 for internal review. A final VE Report will be provided to the PMOC in September 2010 including a list of VE recommendations the City intends to implement.

Through the DB procurement, the City allows for submittal of Alternate Technical Proposals for the contractors. The City has prepared a draft summary of submitted and accepted Alternate Technical Proposals. They will prepare a report that includes estimated capital and implementation costs, expected cost savings and back-up documentation in accordance with FTA guidelines. This report will be submitted in fall 2010.

Although a final decision will not be made in the near term, the City is now considering the use of DB for the remaining two line segments. If they do decide to utilize Design-Bid-Build (DBB) method, the City recognizes they will be required to be completed Value Engineering for these segments as well.

2.2.2 Status of Third-Party Agreements

The following table provides the status of Third Party Agreements for the project:

Agreement	Completion Date	Status
University of Hawaii Master Agreement	Pending	Agreement was revised and resubmitted to University
Leeward Community College Sub-agreement	Pending	UH Reviewing
Department of Education Master Agreement (Waipahu High School)	Pending	DAG for DOE and FTA reviewing intergovernmental agreement
Department of Education Consent to Construct	Pending	City reviewing DOE comments
DHHL Master Agreement (Drum Site)	10-Mar-10	Executed
Department of Land and Natural Resources Executive Order Request for WOFH	Pending	Request sent to DLNR but agency will not review until after ROD
Department of Land and Natural Resources Consent to Construct for WOFH	Pending	Request sent to DLNR but agency will not review until after ROD
Easement Request for Navy Property	Pending	Navy is processing request
HDOT Master Agreement	Pending	Draft agreement was revised and is under review by HDOT
Department of Hawaiian Homelands (DHHL) License Agreement	Pending	Draft license agreement for Ewa Drum site submitted to DHHL for review

The following table provides a summary and status of the Utilities Engineering Services Agreements for the Project:

Utility	West Oahu/Farrington Highway DB Contract	Kamehameha Highway DB Contract
AT&T Corporation	Purchasing waiting for outstanding certificates from utility	Engineering cost requested
Chevron Products Company	Complete	Engineering cost requested
Hawaiian Telcom, Inc.	Complete	Engineering cost requested
Hawaiian Electric Company, Inc	Compensation through agreement with GEC	Cost Received from utility
Oceanic Time Warner Cable	Complete	Engineering cost requested
Pacific LightNet Inc.	Complete	Engineering cost requested
Sandwich Isle Communications Inc.	Purchasing waiting for tax clearance from utility	Engineering cost requested
The Gas Company	Complete	Cost Received from utility
TW Telecom	Complete	Cost Received from utility
Tesoro Hawaiian Corporation	Request cancelled since utility has no impacts on this contract	Engineering cost requested

2.2.3 Delivery Method

Appendix B provides the status of the various design and construction contracts associated with this Project. The following is a list of contracts, delivery methods and contract packages anticipated for the project (number in parentheses indicates number of anticipated contracts if more than one):

- Professional Services
 - Project Management Consultant (PMC)
 - General Engineering Consultant (GEC)
 - Legal Services
 - Leadership in Energy and Environmental Design (LEED) Commissioning
 - Insurance Consulting for Owner Controlled Insurance Program
 - Drilled Shaft Load Testing
- Design and Construction Services
 - Guideway & Utilities Design (2)
 - Stations Design (8)
 - Design-bid-build (DBB) Construction Engineering Inspection (5-7)
- Construction and Procurement Contracts
 - 3 Design-Build Contracts – Guideway (2) and MSF
 - Design-Bid-Build Contracts
 - Stations (8) – 1-3 stations each contract
 - Utility Relocation (2)
 - Guideway Construction (2)
 - System-wide Landscaping
 - Vehicle/Core Systems Design-Build-Operate-Maintain (DBOM)
 - Elevator/Escalator

In accordance with the Contract Packaging Plan developed by the City, construction of the project guideway is to be implemented in four segments. A summary of the Contract Packaging Plan for PE is currently included in the PMP as the project delivery approach for the Project. The four guideway segments and method of delivery identified are:

- Segment I – East Kapolei to Pearl Highlands – DB

- Segment II – Pearl Highlands to Aloha Stadium – DB
- Segment III – Aloha Stadium to Middle Street Station – DBB
- Segment IV – Middle Street Station to Ala Moana Center – DBB

The DB approach is being planned to advance the project schedule in order to minimize escalation costs and start construction of the initial portion of the project while the remainder of the project proceeds through the DBB process. Work on these early contracts (Segments I & II, Maintenance and Storage Facility and Vehicle/Core Systems) is planned to be initiated after the ROD but ahead of the FFGA, utilizing excise tax funding. However, as noted above, any design activities beyond PE or construction activities not covered by automatic pre-award authority would require an LONP, which would be considered on a case-by-case basis. Also as noted previously, Segment III and IV are currently planned to be constructed using DBB methodology. However, the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

2.2.4 Vehicle Status

Vehicle procurement is included in the Core Systems DBOM Contract. The current assumptions for the vehicles include a total active rail car fleet of 76 “light metro” railcars. The railcar being proposed is an automated light metro car, similar to railcars currently in operation in Vancouver, Copenhagen, and Oslo, but not in the United States. The railcar would have three doors per side and a length of approximately 60 feet. Vehicles could run in two-, three-, or four-railcar trains. Following is a summary of the anticipated vehicle characteristics (subject to change based on proposals that will be received from DBOM contractors):

- 76 light metro vehicles (identified as heavy rail in SCC workbook)
- Standard gauge, steel wheel on steel rail
- Fully automated, manual operation possible (hostler panel)
- Nominal vehicle dimensions:
 - Length: 60 feet
 - Width: 10 feet
 - Height: Up to 13.3 feet
 - Floor Height: 3.77 feet above top of rail (at entry)
- Nominal Passenger Capacity: 190 per vehicle (AW2 load)
- Electric traction via third rail, nominal 750V direct current supply, all axles powered
- Semi-permanently coupled, bi-directional trainsets
- Wide gangways between end and middle cars
- 2 to 3 double passenger plug doors per side (per car)
- Manual crew doors with steps
- Dynamic / regenerative braking
- Alternating current propulsion
- 30+ year design life

2.3 Project Management Plan and Sub-Plans

The following table presents the status of each City-provided management deliverable:

Management Deliverable	Revision No.	Latest Revision Date	Next Revision Date	Notes
Project Management Plan (PMP)	3	16-Feb-10	Oct-10	Review comments provided 28-Apr-10
Quality Management Plan (QMP)	1	May-09	Aug-10	PMOC provided comments on draft in Jul-10
Real Estate Acquisition Management Plan (RAMP)	3	15-Oct-09	Oct-10	Working draft of Rev. 4 has been provided to PMOC for review. Rev 4 will be issued once more accurate target for ROD is identified
Bus Fleet Management Plan (BFMP)	0	21-Apr-08	Jun-10	PMOC to provide comments in Aug-10
Rail Fleet Management Plan (RFMP)	0	Apr-09	Dec-10	Update will be based on information from Core Systems Contractor
Safety and Security Management Plan (SSMP)	2	01-Apr-10	TBD	Review comments provided 28-Apr-10
Safety and Security Certification Plan (SSCP)	0	Feb-10	TBD	Review comments provided 28-Apr-10
System Safety Program Plan	-	-	TBD	Will be prepared by Core Systems Contractor
System Security & Emergency Preparedness Plan	-	-	TBD	Will be prepared by Core Systems Contractor
Configuration Management Plan (CMP)	0	30-Apr-10	Sep-10	PMOC provided comments on draft in Aug-10

2.4 Project Schedule Status

The current MPS (data date of March 26, 2010) indicates issuance of a ROD on May 28, 2010 and approval to enter Final Design on January 20, 2011. The City must develop a Master Project Schedule (MPS) that reflects realistic dates for all key milestones identified in the FTA Roadmap for Final Design. The City should also accurately portray any impacts to the DB contract that has been awarded or the three DB contracts that are under procurement.

The PMOC does not have confidence to report on any target dates identified in the current MPS as they have all slipped from their baseline dates as shown in the table below. It is the PMOC's opinion that the current MPS does not contain sufficient detail and logic to accurately portray the City's planning efforts to execute the program within the latest budget estimate.

Activity ID	Delivery Method	Milestone Description	Finish Date		Variance (Weeks)
			Baseline	MPS Data Date 28-May-10	
D250	N/A	FTA Approve Entry into Final Design	10AUG10	29MAR11	33
F270	N/A	FTA Award Full Funding Grant Agreement	11SEP10	29APR12	85
I997	DB	Open Waipahu to Leeward Section	14DEC12	23JUN13	27
M999	DB	Maintenance Service Facility	01OCT13	31OCT14	56
I998	DB	Open East Kapolei to Leeward CC Section	31JUL14	06APR15	36
I999	DB	Open Leeward CC – Pearl Highlands Section	27APR15	01JAN16	36
J999	DB	Open Kamehameha Section	14SEP16	28SEP16	2
Z999	DBB	Open Airport Section	31OCT17	07APR18	23
9999	DBB	Open to Ala Moana Center *** (ROD) ***	03MAR19	08AUG19	23

The PMOC understands the MPS remains in a dynamic state of development as the project refines in PE and Final Design; however, its current fundamental condition is not commensurate with control methods required to manage an awarded DB contract, or the multi-billion program as a whole.

The City should re-baseline the MPS and submit monthly progress updates against this baseline as part of their condition to enter the PE phase. The City has stated they could not revise the MPS due to not knowing when a ROD would be issued. During the PMOC August 2010 Progress Meeting, the PMOC re-emphasized the importance of maintaining of program schedule with up to date information. The PMOC recognizes such information may change as the Project progresses, but at a minimum, targets should be identified to track metrics for the Project.

The City indicated at the August 2010 Progress Meeting that they will be revising their MPS to reflect more realistic dates for all activities. It is anticipated that a draft of the revised MPS will be available for an “over the shoulder” review in October 2010. A revised baseline MPS is then anticipated to be provided to the PMOC in November 2010.

The following is a 90-day look ahead for important activities associated with the Project:

Period: August – October 2010		
Activity	Responsibility	Date
Core Systems Contract Workshop	City, PMC, GEC and PMOC	September 1, 2010
Monthly Progress Meeting	City and PMOC	September 2, 2010
Kamehameha Highway DB Proposals Due	City	September 9, 2010
Cost Estimate Workshop	City, PMC, GEC and PMOC	October 2010
Schedule Workshop	City, PMC, GEC and PMOC	October 2010
Monthly Progress Meeting	City and PMOC	October 6, 2010
NTP #2 WOFH DB Contract*	City	TBD
Publish FEIS/NOA*	FTA, City	TBD
FTA Issues ROD*	FTA	TBD
Begin ROW Purchasing*	City	TBD

*Note: Dates are dependent on adequate resolution of all issues identified in Section 2.1.3.

2.5 Project Cost Status

The Project Budget submitted with the City's request to enter PE is as follows:

Base Cost Estimate	\$3.838 billion
Total Contingency	\$1.219 billion (31.8% of Base Cost Estimate)
Finance Charges	\$0.290 billion
Total Project Cost	\$5.348 billion

Additional project costs include the following:

Pre-PE Expenditures	\$0.082 billion
Financing Charges	\$0.103 billion (post-revenue operations)
Grand Total Project Cost	\$5.532 billion

The City is preparing a bottoms-up cost estimate for the Project. It is anticipated that a draft estimate will be available for review by the PMOC in September 2010. The PMOC will provide an over the shoulder review of the bottoms-up cost estimate with the City in October 2010. The PMOC will provide their opinion and comments to the City during this over the shoulder review. A final bottoms-up cost estimate is then anticipated to be provided to the PMOC in November 2010.

2.5.1 Standard Cost Category (SCC)

The SCC Workbook, including Main and Inflation worksheets, is submitted as a separate electronic file. The City is in the process of preparing a detailed bottoms-up estimate. In addition, the PMOC recommends that the City perform quality assurance checks to verify scope inclusivity and escalation of SCC categories in accordance with the MPS. The cost estimate and Basis of Estimate should provide more justification and backup documentation supporting the quantification and assumptions for the "soft costs" and related General Conditions for the project.

2.5.2 Funding Sources

The following are the project capital revenue (funding) sources provided by the City during the May 2010 Progress Meeting:

General Excise Tax (GET)	\$3.698 billion
Section 5309	\$1.550 billion
Section 5307	\$0.300 billion
ARRA (Section 5307)	\$0.004 billion
Interest	\$0.011 billion
Total	\$5.563 billion

The City is hopeful that it will be able to reduce the need for Section 5307 funds through project development (i.e. refined Base Cost Estimate and revenue estimates during PE) and an aggressive bidding environment.

The GET surcharge receipts received to date are approximately \$536.0 million. Additional surcharge revenues are received approximately 30 days following the end of each quarter.

The City has prepared draft application HI-03-0047 which requests \$34.99 million in New Starts funds (FY 2008 & 2009 Earmarks) for PE. The application requires City Council approval prior to submittal to FTA. City Council approved on June 9, 2010. Submittal via TEAM submitted on June 17, 2010. U.S. Department of Labor sent referral letter on June 18, 2010. The City has expended the \$4.0 million on ARRA funding provided by the FTA.

2.6 Project Risk

The PMOC completed a scope, schedule, and cost review in advance of completing a risk assessment of the Project as part of the evaluation of the Grantee's request to enter PE. A FINAL Spot Report was submitted in July 2009. The Spot Report included recommendations for cost and schedule contingency and identified key risks. However, this effort did not include development of risk management tools (e.g., Primary Mitigation Deliverables, Secondary Mitigation Activities, or a Risk and Contingency Management Plan). It is anticipated that the risk management tools will be developed in conjunction with an update of the risk assessment to support the City's request to enter Final Design.

2.7 Action Items

Item No.	Item	Responsible Party	Date Identified	Date Due	Date Completed	Status
1	Schedule real estate workshop	PMOC	4-Nov-09	19-Jul-10	19-Jul-10	Completed
2	Schedule Safety and Security Workshop	FTA/PMOC	4-Nov-09	1Q11		Open
3	Schedule Roadmap meeting for Entry into FD	FTA/PMOC	16-Dec-09	12-Aug-10		Open
4	FTA to provide informal review comments on initial appraisals prepared by the City.	FTA	Aug-10	Sept-10		Open
5	Schedule/Estimate workshop	PMOC	Jun-10	Oct-10		Open
6	Provide PE package for Airport	City	May-10	Aug-10		Open
7	Review Configuration Management Plan	PMOC	May-10	Aug-10	03-Aug-10	Completed – PMOC provided review comments on draft
8	Provide escalation methodology	City	May-10	Aug-10		Open
9	Environmental Mitigation Monitoring Plan	City	Jul-10	Aug-10		Open
10	City to coordinate meeting with PMOC and State Oversight Agency	City	Jul-10	Sep-10		Open
11	PMOC to provide staffing plan matrix examples	PMOC	Aug-10	Aug-10		Open
12	City to provide the PMOC with a list of CSC evaluation committee and technical committee members.	City	Aug-10	Aug-10		Open

3.0 APPENDICES

Appendix A: Acronym List

BFMP	▪ Bus Fleet Management Plan
CSC	▪ Core Systems Contract
DB	▪ Design-Build
DBB	▪ Design-Bid-Build
DBOM	▪ Design-Build-Operate-Maintain
DHHL	▪ Department of Hawaiian Homelands
FD	▪ Final Design
FEIS	▪ Final Environmental Impact Statement
FFGA	▪ Full Funding Grant Agreement
FONSI	▪ Finding of No Significant Impact
FTA	▪ Federal Transit Administration
FY	▪ Fiscal Year
GEC	▪ General Engineering Consultant
GET	▪ General Excise Tax
HAR	▪ Hawaii Administrative Rules on Procurement
HDOT	▪ Hawaii Department of Transportation
HHCTC	▪ Honolulu High Capacity Transit Corridor Project
LCC	▪ Leeward Community College
LEED	▪ Leadership in Energy and Environmental Design (LEED)
LONP	▪ Letter of No Prejudice
MSF	▪ Maintenance and Storage Facility
NEPA	▪ National Environmental Policy Act
NOA	▪ Notice of Availability
NTP	▪ Notice to Proceed
PA	▪ Programmatic Agreement
PE	▪ Preliminary Engineering
PMOC	▪ Project Management Oversight Contractor
PMP	▪ Project Management Plan
PMC	▪ Project Management Consultant
QMP	▪ Quality Management Plan
RAMP	▪ Real Estate Acquisition and Management Plan
RFMP	▪ Rail Fleet Management Plan
RFP	▪ Request for Proposals
RFQ	▪ Request for Qualifications
ROD	▪ Record of Decision
ROD	▪ Revenue Operation Date
RPZ	▪ Runway Protection Zone
SOA	▪ State Oversight Agency
SSCP	▪ Safety and Security Certification Plan
SSEPP	▪ System Security and Emergency Preparedness Plan
SHPO	▪ State Historic Preservation Office
SSMP	▪ Safety and Security Management Plan
SSPP	▪ System Safety Program Plan
WOFH	▪ West Oahu/Farrington Highway
YOE	▪ Year of Expenditure

Appendix B: Contract Status

The following sections provide the scope and status of the various contracts identified for this Project.

Project Management Consultant (PMC) Contract.

- Scope – The consultant will serve as a program manager in providing oversight of the PE, FD, and construction activities for all DB and DBB contracts.
- Status – The City awarded a contract to InfraConsult LLC in November 2009 to provide Project Management Support Services. The PMC Agreement is for five years with a Not-to-Exceed amount of \$36.7 million.

General Engineering Consultant (GEC II) Contract

- Scope – The consultant will provide services related to elevated guideway engineering, systems engineering, rail station design, construction management oversight, procurement, contract administration, configuration control, claims support, scheduling, project financing and environmental planning. After the qualifications are evaluated and the top qualifier is selected, the City will develop the detailed scope of the contract. The GEC II Contract will include a ten year period of performance. The City expects to hire separate Construction Engineering and Inspection firms to provide field services for the DBB contracts.
- Status – The City had previously indicated that procurement of the General Engineering Consultant (GEC) contract (GEC II) had been cancelled due to the length of time that had elapsed between submittal of proposals and the proposed date for selection. However, they have now decided to allow the proposers to “refresh” their proposals. This will allow the consultants that submitted proposals an opportunity to provide the City with the most current staffing available rather than submitting substitution of personnel whose expertise and experience are equivalent to that which would have been provided by the originally listed personnel. The City originally received three proposals for the GEC contract. The City may finalize selection of the GEC prior to issuance of the Record of Decision (ROD) following completion of the FEIS publication process.

The City issued a NTP for the GEC I contract on August 27, 2007. Three contract amendments have been issued to GEC I. Amendment #4 of the GEC I contract was issued on February 28, 2010 that extended the period of performance 120 days (until June 30, 2010) and authorized a \$12 million increase in budget. This increase brought the total budget for the GEC I contract to \$115.9 million for the period of August 27, 2010 to June 30, 2010. Amendment #4 of the initial GEC contract (GEC I) was issued on February 28, 2010 to extend the period of performance 120 days (until June 30, 2010). This amendment included an authorized budget increase of \$12 million, bringing the total contract value to \$115.9 million.

The pre-PE costs for the GEC I contract were approximately \$88.6 million. The \$27.3 million balance covers the GEC I contract from approval to enter PE through June 30, 2010. The City will issue another contract amendment to extend the GEC I contract until December 31, 2010 and authorize another increase in the budget of \$18 million (\$3

million per for six months). The total contract value could increase to \$133.9 million if the full period of performance for amendment is needed.

West Oahu/Farrington Highway (WOFH) DB Contract

- Scope – This contract includes the design and construction of a portion of the guideway alignment from the initial station at East Kapolei and continuing approximately 6.8 miles to a point just east of the planned Pearl Highlands station. The alignment runs along the east side of North South Road. This portion of the guideway is being identified as the West Oahu/Farrington Highway Design-Build Contract. The guideway is comprised mostly of a two-track aerial structure with a 0.3-mile portion of twin single-track guideways and a 0.3-mile section of guideway at grade.

As the alignment approaches Leeward Community College (LCC), the guideway alignment traverses from the median of Farrington Highway to the makai side of the highway where it transitions to an at-grade section. Once at grade, the entrance(s) to the Maintenance and Storage Facility (MSF) is (are) encountered. The Guideway crosses Ala Ike Road at two locations, with the roadway passing under the guideway alignment in box-culverts. At the LCC Station, a station plaza area is planned to allow passengers to walk under the guideway to access either platform.

- Status – Kiewit Constructors was awarded a \$482,924,000 contract on November 18, 2009. Notice to Proceed (NTP) #1 was issued on December 1, 2009 to Kiewit. The maximum reimbursable amount under NTP #1 is \$27 million. NTP #1 is for approximately 90 days and the scope of work for Kiewit is limited to the elements of PE whose principal purpose is refinement and validation of information supporting the NEPA process. NTP #2 will be issued shortly following the issuance of the Record of Decision (ROD). Should NTP #2 not be issued within the required timeframe per the contract, the City will meet with the contractor to re-evaluate the work schedule and make adjustments as deemed necessary.

The City issued NTP #1A on March 11, 2010. NTP #1A authorizes \$25.8 million for PE activities to be completed. They then issued NTP #1B on March 23, 2010 authorizing interim design activities. NTP #1B authorizes \$21.2 million for added definitive and interim PE activities to be completed. The City has indicated that NTP #1A and NTP #1B would provide sufficient work for the contractor through approximately July 2010. The City issued NTP #1C to Kiewit on June 7, 2010 to authorize \$3.5 million for test and demonstration drilled shafts to complete the deep foundations interim design. The City believes, and the PMOC concurs, that this work is consistent with the permission the City received from FTA to enter PE.

NTP #3 is to be issued for Final Design work activities, as defined by the City. NTP #4 is to be issued for construction activities.

The City will need to seek Letter(s) of No Prejudice for any work beyond the scope of NTP #2. The current MPS does not contain realistic dates for LONPs as discussed in Section 2.4 of this report.

The contractor has provided the City with the following Definitive Design Submittals: plan and profile; superstructure; utility relocation; maintenance of traffic; and roadway lighting. Once these submittals are approved, the contractor will begin preparing Interim Design submittals.

- Schedule – The City has approved the schedule submittal, and the PMOC has received a copy of the schedule electronic file approved by the City on May 20, 2010. The contractor is preparing a schedule analysis for NTP delays.
- Cost
 - Original Contract Value – \$482,924,000
 - Current Contract Value – \$482,924,000
 - Expended to Date – \$43,277,545
 - % Expended – 11.2%
 - Approved Change Orders – \$0.00
 - Total Encumbrance (City) – \$520,846,930
- Issues or Concerns
 - The City has received four “Written Notice of Project Change” from Kiewit:
 - (1) The first notice involves cost for insurance coverage. The City intended to implement an Owner Controlled Insurance Program (OCIP) for the project, as stipulated in Special Provisions 3.1 of the contract. However, procurement of an Insurance Consultant to help manage the OCIP was delayed due to protests. Therefore, the City was unable to initiate their OCIP. Subsequently, Kiewit notified the City that they will be seeking reimbursement for extra costs to provide insurance that would have been covered under the OCIP. The extent of these costs are not yet known because it is uncertain how long Kiewit will be required to self insure. However, the City has indicated that all protest issues have been resolved and a Request for Proposals for an OCIP contractor will be issued in August 2010, with selection targeted by the end of 2010. This potential change will address any insurance coverage until such a time that the OCIP can be initiated.
 - (2) The second notice is a result of time delays experienced with the issuance of NTPs as stipulated in the contractual documents. The executed agreement calls for issuance of all four NTPs within 120 calendar days of the December 1, 2009 NTP #1 date. Since that requirement was not met, the City reviewed Kiewit’s schedule of milestones and the baseline schedule to determine whether there has been a schedule or a cost impact. The City officially approved Kiewit’s schedule on April 30, 2010. The City formally responded on April 28, 2010 to Kiewit’s request for change resulting in delay of NTP 2, 3 and 4 and provided revised dates for Kiewit to assess the impacts of delays in the issuance of those NTPs. Specifically, the revised dates provided by the City to be used in Kiewit’s assessment are as follows:
 - NTP #2 – July 15, 2010
 - NTP #3 – September 15, 2010

▪ NTP #4 – December 15, 2010

Subsequent to the April 28, 2010 letter, the City has indicated that a letter will be sent to Kiewit stating that NTPs #2, 3 and 4 will not occur until March 2010. The PMOC has noted to the City that this date is still be aggressive and may be untenable given the requirements that must be met prior to issuance of any LONPs.

- (3) The third notice is for material escalation changes for rebar price increases. A price adjustment for short supply materials using ENR index formulas will be used as stipulated in Special Provision 4.21 of the contract. The City recognizes that certain items of materials to be incorporated into the Project and/or consumed in the prosecution of the Project as temporarily in short supply, beyond the control and without fault of the DB contractor. The effect of such shortages has, among other things, resulted in periodic fluctuations in the posted prices of such short supply materials. The only materials considered to be in short supply are asphalt cement, Portland cement, reinforcing steel, structural steel, galvanized steel and prestress/post tension strands. The ENR BCI Index on cost shall be the basis for determining and adjustment in price of such short supply material.
- (4) The forth notice is for delay due to Hawaii Department of Transportation reviews.

Kamehameha Highway Guideway DB Contract

- Scope – The contractor will design and construct a portion of the guideway alignment from the initial station at East Pearl Highlands to a point just east of the planned Aloha Stadium Station, a distance of approximately 3.9 miles. This portion of the guideway is being identified as the Kamehameha Highway Design-Build Contract. The guideway is comprised of a two-track aerial structure.
- Status – The Kamehameha Highway Guideway was originally to be constructed using DBB, but the City decided to utilize DB to take advantage of the perceived favorable bid climate. RFP Part 1 was issued on November 18, 2009, with responses received on January 5, 2010. Two contractors were approved to receive RFP Part 2, which was issued on March 19, 2010. A final addendum will be issued by the City on August 9, 2010. The proposals are due on September 9, 2010 and are valid for 180-days from receipt. The City will make a selection in October 2010. However, the City has indicated that they will not award this contract until after receipt of a ROD. The contract is set up for multiple NTPs, if needed.

RFP Part 2 contains early PE-level documents. The contractor will advance the drawings in the RFP Part 2 contract documents to the Definitive and Interim Design levels during the PE phase of the project.

- Cost – The budget for this contract is \$323.5 million.
- Schedule – The Kamehameha Guideway DB project is approximately 48 months in duration.

- Issues or Concerns
 - The PMOC received RFP Part 2 documents on April 8, 2010 for this contract and has begun a review.

Maintenance and Storage Facility DB Contract

- Scope – The contractor will design and construct the MSF to accommodate 80 revenue vehicles. The maximum capacity of the site is 100 revenue vehicles. The Shop Facility will include administrative and operational offices for the agency, including an Operations Control Center. The MSF will be designed and commissioned to achieve Leadership in Energy and Environmental Design (LEED) Green Building Rating System Silver Certification, and will operate in accordance with FTA Sustainable Maintenance and Operational Standards. The scope of the contract includes the procurement of all rail materials.
- Status – RFP Part 1 for the MSF was issued on May 28, 2009. RFP Part 2 was issued on July 24, 2009. Six offerers submitted proposals under RFP Part 1 and four offerers were approved to receive RFP Part 2 by the City. Proposals were received on February 17, 2010 and were valid for 180-days from receipt. The City issued a letter of intent to award the MSF contract to Kiewit/Kobayashi Joint Venture on June 24, 2010 in the amount of \$195 million. A letter of intent of award does not trigger the City to issue NTP as an award letter would do. The City's cost estimate was \$254 million. The price proposal expires on August 16, 2010, but the City will send a letter to Kiewit/Kobayashi requesting an extension of their pricing until March 15, 2011. The City has indicated that an award will not be made until after receipt of a ROD.

RFP Part 2 contains early PE-level documents. The contractor will advance the drawings in the RFP Part 2 contract documents to the Definitive and Interim Design levels during the PE phase of the project.

- Cost – The budget for this contract is \$254 million, of which approximately \$156 million is for MSF design and construction and the remainder, is for track material procurement.
- Issues or Concerns
 - The Memorandum of Agreement (MOA) has been executed with the DHHL or the Navy Drum Site. However, the City must sign a License Agreement with the DHHL prior to any construction beginning.

Vehicle/Core Systems DBOM Contract (CSC)

- Scope – A Design-Build-Operate-Maintain (DBOM) contract is anticipated to be awarded by the City to more closely synchronize with ROD and will include the following:
 - Design and manufacture of vehicles
 - Design, manufacture, and installation of systems components including train control communications, traction power, Central Control and fare collection equipment
 - Operations and Maintenance.

The Operations and Maintenance contract will extend 5 years beyond the full build revenue date (2019), with an additional 5 year option. The Operations and Maintenance contractor will be responsible for Intermediate Operating Section Openings (6 sections including the demonstration section opening in 2012).

- Status – RFP Part 1 for the Vehicles/Core Systems Design-Build-Operate-Maintain Contract (CSC) was issued on April 8, 2009. Three offerors submitted proposals under RFP Part 1. RFP Part 2 was issued to all three offerors on August 17, 2009. Proposals were received on June 7, 2010 and are valid for 180-days from receipt. The City has scheduled a first meeting with each offeror the week of August 9, 2010 to address technical and quality components of their proposals. If the City considers requesting a Best and Final Offer, selection will likely occur in late fall 2010. However, the City has indicated that they will not award this contract until after receipt of a ROD.
- Cost – The budget for this contract is \$650 million, including equipment and installation.
- Issues or Concerns
 - The PMOC received RFP Part 2 documents on May 12, 2010 for this contract and has begun a review. The PMOC scheduled a workshop on September 1, 2010 with the City, PMC and the GEC to obtain a general understanding of how the RFP Part II documents were developed. The PMOC has also requested that the City provide a list of the evaluation committee and technical committee to better assess the City's approval process. The PMOC will schedule another workshop after the City selects the contractor to discuss the basis of the awarded contract and any follow up questions the PMOC may have once it reviews the final contract including any addendums issued by the City and Alternate Technical Proposals submitted by the contractor. This will assist the PMOC with assessing the Technical Capacity and Capability of the Grantee, Scope, Schedule and Cost reviews as it prepares to receive approval from the FTA to enter FD.

Airport Guideway & Utility Relocation DBB Contract

- Scope – The project delivery method for the guideway and utility relocations will be DBB. The City anticipates awarding separate construction contracts for the utility relocation and guideway. This segment extends from Aloha Stadium Station to Lagoon Drive Station.

It should be noted that the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

- Status – This segment is in the PE phase. The PE drawings are under final review by the City, and the GEC is completing quantity take-offs. Utility relocation and guideway construction are anticipated to begin in late 2011 and early 2012, respectively.
- Cost – The estimated contract value will be available when the bottoms-up estimate is complete.

- Issues or Concerns
 - None identified at this time.

City Center Guideway & Utility Relocation DBB Contract

- Scope – The project delivery method for the guideway and utility relocations will be DBB. The City anticipates awarding separate construction contracts for the utility relocation and guideway. This segment extends from Lagoon Drive Station to Ala Moana Center Station.

It should be noted that the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

- Status – This segment is in the PE phase. The PE drawings are under final review by the City, and the GEC is completing quantity take-offs. Utility relocation and guideway construction are anticipated to begin in late 2011 and early 2012, respectively.
- Cost – The estimated contract value will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time. The City is in the process of finalizing third party agreements for utility relocations.

Station Packages

- Scope – All stations will be implemented using DBB. The City has developed station group packages for design, and it intends to issue construction contracts based on those station packages. Following are the packages that the City is currently considering:
 - The West Oahu Station Group, consisting of three stations: East Kapolei, UH-West Oahu and Hoopili.
 - The Farrington Station Group, consisting of three stations: West Loch, Waipahu Transit Center and Leeward Community College.
 - The Pearl Highlands Station, H2 Ramps and Garage Group, consisting of one station at Pearl Highlands, new ramps from H2 to access the station and a multi-level parking structure.
 - The Kamehameha Station Group, consisting of two stations: Pearlridge and Aloha Stadium.
 - The Airport Station Group, consisting of three stations: Pearl Harbor Navy Base, Honolulu International Airport, and Lagoon Drive.
 - The Dillingham Station Group DBB contract, consisting of three stations: Middle Street Transit Center, Kalihi and Kapalama.
 - The City Center Group, consisting of three stations: Iwilei, Chinatown and Downtown.
 - The Kakaako Station Group, consisting of three stations: Civic Center, Kakaako and Ala Moana Center

- Status – Design is procured in a one-step Request for Qualifications (RFQ) process. The RFQ for Farrington Stations Design was released on October 13, 2009, with responses received in early January 2010. HDR, Inc has been selected and has reached an agreement with the City on the scope/budget for the project. The City is expecting to finalize the contract in August 2010 and issue a NTP to complete PE in September 2010.

The RFQ for the West Oahu Station Group was released January 13, 2010, with responses received on February 17, 2010. Evaluations are in process, and selection is pending. To better match anticipated cost with systems needs alternate packaging is being evaluated that could separate H2 ramps, station and transit terminal for the Pearl Highlands Station and Transit Terminal. Different contract delivery options are also under consideration.

- Cost
 - The estimated contract value for each station design package is \$2 million.
- Issues or Concerns
 - None identified at this time.

Elevators and Escalators

- Scope – The City intends to issue a DB contract to furnish, install, test, and commission all elevator and escalator equipment.
- Status – The City anticipates procuring this contract in 2011. Limited PE has been completed for this package.
- Schedule – Following are the key contract dates:
 - Prepare Procurement Packages – January 2011
 - Bid-Award Elevator Packages – May 2011
 - Elevator & Escalators Construction – January 2012
- Cost – The estimated contract values will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time.

Appendix C: PE Approval Letter Requirements

No.	Item	City Responsible Person	Date Due	Completion Date	Comments
Project Scope, Design and Development					
1	Identify any third party agreements necessary for project completion, including utility agreements with private and public owners and military	LR / HLB	Jan-10	Jan-10	Update sent monthly to PMOC
2	Resolve the specific regarding proximity of the guideway to runways 22R/4L and 22I/4R at the Honolulu International Airport with HDOT and FAA	HLB	Apr-10	May-10	
3	Fully develop vehicle basis of design and functional sizing	JS	Nov-10		PMOC will review selected proposal to determine whether it meets operational criteria
4	Determine rail fleet size requirement	JS	Nov-10		Delayed due to change in CORE Systems proposal due date
5	Fully develop scope for the administration building and operations control center	JS / HLB	1Q11		
6	Determine the final location of the maintenance and storage facility	FM	Jan-11		Will execute License Agreement after ROD
7	Finalize a contracting packaging plan which includes a source selection plan(s) and contract specific work plans	SZ	Nov-10		
8	Develop strategies to streamline the City's process to award contracts and to enter into grant agreements, especially as applicable to FTA grants	LR	TBD		Resolution provided to FTA and PMOC after City Council approval in Dec-09. Will be included on ballot in Nov-10 election
9	Develop a preliminary operation plan	JS	Mar-10	08-Feb-10	
10	Ensure the service velocity does not erode over the next course of design changes	JS	Nov-10		Currently being evaluated. It has been noted that a few seconds delay may be added on the round trip time due to the Ualena Airport Alignment shift.
Project Schedule					
11	Provide a baseline of the master Project Schedule (MPS) early in PE which will be used for monthly progress updates and tracking schedule variances	MH	Nov-10		Baseline to be revised in Nov-10

No.	Item	City Responsible Person	Date Due	Completion Date	Comments
12	Address the utilization manpower and equipment resource loading and budget and cost loading	MH	Nov-10		City acknowledged that schedule is cost loaded but will not be resource loaded
13	Include critical activities in the MPS: utility activities, real estate acquisitions, system integration, starting and testing, operational commissioning and training, vehicle procurement, major construction material procurement, FTA review and comment, detail activities for early construction packages	MH	Nov-10		
14	Develop a right-of-way schedule	MH	Jan-10	29-Oct-09	Will be revised in Nov-10
15	Modify the Work Breakdown Structure to cross over with the project budget and cost breakdown structure	MH	Jan-10	21-Dec-09	
Project Cost					
16	Develop a detailed bottoms-up-style project cost estimate to Standard Cost Category format. The estimate should be detailed sufficiently to determine distributions of materials, labor, equipment and general conditions elements at a minimum. The soft cost estimates should be based on staffing plans, force account plans, contracts and so forth rather than solely on percentages. The estimate should eliminate parametric-style values, cost estimating relationships, and lump sums as much as possible during PE	MH	Nov-10		
17	Escalate the cost estimate in accordance with the MPS	MH	Nov-10		Pending completion of Item No. 16
18	Provide justification and backup documents to support the quantification and assumptions for the "soft costs" and related general conditions of the project	MH	Nov-10		Pending completion of Item No. 16
Technical Capacity					
19	Configuration management and change control mechanism	KG	Sep-10		
20	Develop detailed staffing plans for all remaining phases of the project to ensure adequate technical capacity. The plans should include the dates by which the City will fill each key position. All key City management positions should be filled during PE.	TH/PR	Sep-10		
21	Work with the State of Hawaii to establish a State Safety Oversight Agency office to oversee the project	KA	Apr-10	6-Apr-10	

No.	Item	City Responsible Person	Date Due	Completion Date	Comments
22	Submit a fully developed Rail Fleet Management Plan	JS	Dec-10		
23	Have a quantifiable metrics for measuring the real status of work, both cost and schedule of all professional service contracts, and any inter-local agreements for participatory services	MH	Oct-10		
24	Develop a Contingency Management Plan which will identify the specific risks and implement the anticipated mitigation measures	SZ	Nov-10		
25	Develop an Environmental Mitigation Plan that identifies required environmental mitigation actions and the party responsible for the mitigation and that will eventually become the basis for quarterly mitigation monitoring and quarterly mitigation reports	JA/FM	Aug-10		
26	Update and implement the: Real Estate and Acquisition Plan Bus Fleet Management Plan Safety and Security Management Plan Quality Management Plan	JJ PK KA AB	Oct-10 Jun-10 Sep-10 Aug-10		PMOC to provide review comments in Aug-10

PMOC MONTHLY REPORT

Honolulu High-Capacity Transit Corridor Project
City and County of Honolulu
Honolulu, HI

September 2010 (FINAL)

PMOC Contract Number: DTFT60-09-D-00012
Task Order No. 2: Honolulu High-Capacity Corridor Project
Project No: DC-27-5140
Work Order No. 1
OPs Referenced: OP 1 and 25

Jacobs Engineering Group, Inc., 501 North Broadway, St. Louis, MO 63102
Tim Mantych, P.E., (314) 335-4454, tim.mantych@jacobs.com
Length of Time Assigned: Five Years (November 18, 2009 through November 17, 2014)

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- Appendix C: PE Approval Letter Requirements
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1.0 EXECUTIVE SUMMARY

1.1 Project Description

- **General Description:** The Project is a 20-mile elevated fixed guideway rail system along Oahu's south shore between East Kapolei and Ala Moana Center. This Project is based on the Airport Alignment, which includes 21 stations. The alignment is elevated, except for a 0.5-mile at-grade portion at the Leeward Community College station. The Project is planned to be delivered in four guideway segments.
- **Length:** 20 miles
- **No. of Stations:** 21
- **Additional Facilities:** Maintenance and Storage Facility (MSF) and parking facilities
- **Vehicles:** 76 vehicles
- **Ridership Forecast:** 97,500 weekday boardings in 2019; 116,300 weekday boardings in 2030

1.2 Project Status

- Project was approved to enter Preliminary Engineering (PE) on October 16, 2009.
- The Notice of Availability of the Final Environmental Impact Statement (FEIS) was published in the Federal Register on June 25, 2010. The comment period closed August 26, 2010.

(Note: Full details on the status of all contracts discussed below are provided in Appendix B.)

- The City has begun procurement of the General Engineering Consultant (GEC) contract (GEC II). Due to the length of time that had elapsed between submittal of proposals and the potential date for selection (October 2010), the City allowed the proposers to "refresh" their proposals. This will allow the consultants that submitted proposals an opportunity to provide the City with the most current staffing available rather than submitting substitution of personnel whose expertise and experience are equivalent to that which would have been provided by the originally listed personnel. The City may finalize selection of the GEC prior to issuance of the Record of Decision (ROD) following completion of the FEIS publication process.

Amendment #4 of the initial GEC contract (GEC I) was issued on February 28, 2010 to extend the period of performance 120 days (until June 30, 2010). This amendment included an authorized budget increase of \$12 million, bringing the total contract value to \$115.9 million.

The pre-PE costs for the GEC I contract were approximately \$88.6 million. The \$27.3 million balance covers the GEC I contract from approval to enter PE through June 30, 2010. The City will issue another contract amendment to extend the GEC I contract until December 31, 2010 and authorize another increase in the budget of \$18

million (\$3 million per for six months). The total contract value could increase to \$133.9 million if the full period of performance for amendment is needed.

- A Design-Build (DB) Contract for the West Oahu/Farrington Highway (WOFH) Guideway was awarded to Kiewit Constructors on November 18, 2009. The City issued Notice to Proceed (NTP) #1 on December 1, 2009. The City issued NTP #1A on March 11, 2010. They then issued NTP #1B on March 23, 2010 authorizing interim design activities. The City issued NTP #1C to Kiewit on June 7, 2010 to authorize test and demonstration drilled shafts for the elevated guideway. This work is scheduled to begin in September 2010.
- Request for Proposal (RFP) Part 1 for the Kamehameha Highway Guideway DB Contract was issued on November 18, 2009, with responses received on January 5, 2010. RFP Part 2 was issued on March 19, 2010. Technical and price proposals were due September 9, 2010. However, the due date was extended to October 7, 2010, with prices now valid until April 5, 2011. The City will make a selection in November 2010. The City has indicated that they will not award this contract until after receipt of a ROD.
- RFP Part 1 for the MSF was issued on May 28, 2009. RFP Part 2 was issued on July 24, 2009. Technical and price proposals were received on February 17, 2010, with prices valid until August 16, 2010. The City issued a letter of intent to award the MSF contract to Kiewit/Kobayashi Joint Venture on June 24, 2010 in the amount of \$195 million. A letter of intent of award does not trigger the City to issue NTP as an award letter would do. The City's cost estimate was \$254 million. The price proposal expired on August 16, 2010, but the City sent a letter to Kiewit/Kobayashi requesting an extension of their pricing until March 15, 2011. The City is awaiting a formal response to their letter request. The City has indicated that an award will not be made until after receipt of a ROD.
- RFP Part 1 for the Vehicles/Core Systems Design-Build-Operate-Maintain Contract (CSC) was issued on April 8, 2009. RFP Part 2 was issued on August 17, 2009. Technical and price proposals were received on June 7, 2010, with price proposals valid until December 4, 2010. The City held a first meeting with each offeror during the week August 8, 2010 to address technical and quality components of their proposals. If the City considers requesting a Best and Final Offer, selection will likely occur in late fall 2010. However, the City has indicated that they will not award this contract until after receipt of a ROD.
- The Request for Qualifications (RFQ) for Farrington Stations Design was released on October 13, 2009, with responses received in early January 2010. Design is procured in a one-step RFQ process. HDR/HPE, Inc has been selected and has reached an agreement with the City on the scope/budget for the project. The City is expecting to finalize the contract in August 2010 and issue a NTP to complete PE in September 2010.

- The RFQ for the West Oahu Station Group was released January 13, 2010, with responses received on February 17, 2010. Qualifications are being evaluated by the City for advanced PE on the West Oahu Station Group. Ranking should be approved and negotiations to commence in September 2010. To better match anticipated cost with systems needs alternate packaging is being evaluated that could separate H2 ramps, station and transit terminal for the Pearl Highlands Station and Transit Terminal. Alternative contract delivery options are also under consideration.
- The City is preparing an RFP document to procure Professional Real Estate Services. It is anticipated that the RFP will be issued in September 2010 with selection targeted by the end of 2010. It is the PMOC's professional opinion that this approach provides the technical capability to support the City's Right of Way (ROW) activities.
- HDOT does not have the staff necessary to complete reviews of DB plans and perform the necessary construction inspection of the four guideway segments. Therefore, the City is negotiating with the top rated firm to support HDOT with design review and construction inspection services. The City has included the costs of the HDOT reviews in the original project budget. Since most of the guideway will be located along HDOT right-of-way, it is necessary for HDOT to perform permit reviews of the DB plans and perform the final inspections. Selection of a consultant is anticipated in October 2010. HDOT will manage the selected firm, but all related consultant costs will be paid from the project budget.
- The City anticipates issuing an RFP for an Owner Controlled Insurance Program (OCIP). The city anticipates a two-step RFP process beginning in November 2010 following completion of a peer review of the RFP documents. The original procurement of an insurance consultant to help manage the OCIP was delayed due to protests. The City has resolved the protests and can now proceed with issuance of a new RFP. Selection is targeted to be complete by the end of 2010. No cost impact was realized as a result of the protest.

1.3 Technical Capacity Review

The table in Section 2.3 presents the status of key required management deliverables.

1.4 Schedule

- **Preliminary Engineering (PE):** FTA Approval to Enter PE on October 16, 2009
- **Record of Decision:** Publication of the FEIS occurred on June 25, 2010. The comment period closed August 26, 2010.
- **Revenue Operations Date (ROD):** August 2019 (current City target)

1.5 Cost Data

The Project Budget submitted with the City's request to enter PE is as follows:

Base Cost Estimate	\$3.838 billion
Total Contingency	\$1.219 billion (31.8% of Base Cost Estimate)
Finance Charges	\$0.290 billion
Total Project Cost	\$5.348 billion

Additional project costs include the following:

Pre-PE Expenditures	\$0.082 billion
Financing Charges	\$0.103 billion (post-revenue operations)
Grand Total Project Cost	\$5.532 billion

Total Expenditures to Date \$0.101 billion (July 2010)

The City is preparing a bottoms-up cost estimate for the Project. The PMOC will provide an over the shoulder review of the draft bottoms-up cost estimate with the City in November 2010. The PMOC will provide their opinion and comments to the City during this over the shoulder review. A final bottoms-up cost estimate is then anticipated to be provided to the PMOC in December 2010.

1.6 Issues or Concerns

The following key issues or concerns have been identified:

- Regarding DB procurement prior to completion of NEPA process, Federal Register, Volume 72, No. 12 dated January 19, 2007, states on Page 2590:

“The project sponsor must receive prior FTA concurrence (A) Before issuing the RFP and (B) awarding a design-build contract. Should the project sponsor proceed with any of the activities specified in this section before the completion of the NEPA process, FTA's concurrence merely constitutes FTA's acquiescence that any such activities complies with Federal requirements and does not constitute project authorization or obligate Federal funds, unless otherwise provided by FTA.”

The City did not seek FTA concurrence prior to issuing RFP Part 2 for the WOFH DB Contract. In addition, the City began procurement for three additional DB contracts (Kamehameha Highway, MSF and Vehicle/Core Systems) prior to completion of the NEPA process. The City has indicated that they will not award any additional DB contracts prior to issuance of the ROD. However, if the City elects to award any of the contracts and issue an initial NTP prior to completion of the NEPA process, they must ensure that it complies with the requirements identified in Federal Register, Volume 72, No. 12 dated January 19, 2007 for DB procurement.

- The City must remain cognizant of the limits of the pre-award authority granted with the receipt of ROD. The City intends to issue multiple NTPs for its DB contracts. However, as noted in a December 1, 2009 letter to the City, the FTA will consider LONPs for activities not covered by automatic pre-award authority on a case-by-case basis following issuance of the ROD.
- The executed agreement for the WOFH DB Contract calls for issuance of all four NTPs within 120 calendar days of the December 1, 2009 NTP #1 date. Since that requirement was not met, the City reviewed Kiewit's schedule of milestones and the baseline schedule to determine whether there has been a schedule or a cost impact. The City officially approved Kiewit's schedule on April 30, 2010. The City also formally responded on April 28, 2010 to Kiewit's request for change resulting in delay of NTP 2, 3 and 4. In their response, the City provided revised dates for Kiewit to assess the impacts of delays in the issuance of those NTPs. Specifically, the revised dates provided by the City to be used in Kiewit's assessment are as follows:
 - NTP #2 – July 15, 2010
 - NTP #3 – September 15, 2010
 - NTP #4 – December 15, 2010

However, subsequent to the April 28, 2010 letter, the City sent a letter to Kiewit stating that NTPs #2, 3 and 4 would not occur until March 2011 and Kiewit should revise their schedule accordingly. The PMOC has noted to the City that this date is still be aggressive and may be untenable given the requirements that must be met prior to issuance of any LONPs.

- The current MPS (data date of March 26, 2010) indicates issuance of a ROD on May 28, 2010 and approval to enter Final Design on January 20, 2011. The City must develop a Master Project Schedule (MPS) that reflects realistic dates for all key milestones identified in the FTA Roadmap for Final Design. The City should also accurately portray any impacts to the DB contract that has been awarded or the three DB contracts that are under procurement.

The City indicated at the September 2010 Progress Meeting that they will be revising their MPS to reflect more realistic dates for all activities. It is anticipated that a draft of the revised MPS will be available for an "over the shoulder" review in November 2010. A revised baseline MPS is then anticipated to be provided to the PMOC in December 2010.

- The City must execute a license agreement with the Department of Hawaiian Homelands (DHHL) to construct the MSF on the Navy Drum Site. To do so, the City first executed a Memorandum of Agreement (MOA) in March 2010. The License Agreement will be executed following ROD. The City has stated that it is not aware of any issues from the DHHL, that the Navy has cleaned the site, and that there are no limitations on the proposed use of the site. If any hazardous materials are found during construction, the DHHL is required to clean the site per the agreements. The PMOC has recommended

that the License Agreement be provided to the FTA and PMOC for review prior to execution.

2.0 BODY OF REPORT

2.1 Grantee's Capabilities and Approach

2.1.1 Technical Capacity and Capability

The PMOC has identified "capacity" issues as key City and Project Management Consultant (PMC) management positions remain vacant or vacated due to retention challenges stemming from the project's geographic location and other related issues. Several of the City positions are currently filled by "Acting" or "Interim" staff members from the PMC team. While these temporary solutions may fill immediate voids, the PMOC believes that the resource demands associated with the PE and Final Design phases of a \$5 billion project require full time and concentrated attention and continuity within the Grantee's organization for smooth transition into future phases.

The City's long term strategy is to hire locally and have the PMC train new City staff using the consultant's expertise in an effort to ensure that the new hires are capable of managing the City's consultants effectively. The PE Entry Readiness Report identified several key positions that the City should focus on filling:

- Chief Project Officer
- Manager of Quality Assurance
- Manager of Safety and Security
- Chief Project Controls
- Contracts Administrator

The only key position that has been filled by a City employee at this time is the Deputy Project Officer for Controls and Administration, which is a position above the Contracts Administrator. This position was added following completion of the PE Entry Readiness Report.

Although there is no set timetable for replacing the PMC with City staff, the City has begun developing a Staffing Plan and has begun to advertise city positions currently filled by the PMC. The need for PMC staff will diminish as the City fills key management positions. Until such time, it will be necessary for the City will to continue supplementing its staff with PMC staff.

The City is actively recruiting the following staff:

- Planner VI "Financial and Grants Management" – anticipated for September/October 2010
- Utilities Engineer – anticipated for September/October 2010
- Departmental Staff Executive Assistant – anticipated for October 2010
- Junior to Mid Level System Engineers (Electrical & Mechanical) – anticipated for October 2010

The City has recently added the following staff:

- Right of Way Coordinator – start date of September 6, 2010
- Human Resources Specialist – start date of September 1, 2010
- Information Specialist – start date of September 3, 2010

The PMC is actively recruiting the following staff:

- Chief Public Information Officer – anticipated for September 2010
- Senior Cost Controls Analyst – anticipated for October/November 2010

The City has yet to complete development of several management tools that should be in place given they have executed one DB contract and have others pending. These include Document Control Procedures, Change Order Procedures, Internal Reporting Procedures, and Quality-assurance/quality control (QA/QC) procedures. The City is working towards drafts of these documents, but they must be made a priority.

It is the PMOC's professional opinion that the Project organization, staffing, and management approach provides the technical capability to support the City's initial implementation of the project during PE. However, significant technical capacity issues remain as several key City management positions remain vacant or filled by interim City or PMC employees sharing multiple duties. The PMOC has recommended that the City identify additional key positions (other than those identified in the PE Entry Readiness Report and listed above) that should be filled by City employees. These positions should be identified in the Staffing Plan and should be a priority for recruitment. The PMOC will review the key positions identified by the City when the updated Staffing Plan is made available. In addition, the City must complete development of the procedures necessary to properly manage this project before any consideration for advancement to Final Design should be considered.

2.1.2 Project Controls for Scope, Quality, Schedule, Cost, Risk and Safety

System Safety and Security

- The State of Hawaii has established Executive Order No. 10-05 effective April 6, 2010, designating the State Department of Transportation (HDOT) as the State of Hawaii Rail Fixed Guideway Oversight Agency.
- Revision 2.0 of the Safety and Security Management Plan (SSMP) and Revision 0 of the Safety and Security Certification Plan (SSCP) were submitted to the PMOC for review on April 5, 2010. The PMOC reviewed and provided comments to the City on April 28, 2010. A conference call was held with the City on May 14, 2010 to provide them with further clarification to the PMOC's comments provided. The intent of the PMOC comments was to assist the City with updating the documents prior to Final Design. An update of the SSMP is anticipated in October 2010.
- The PMOC intends to hold a safety and security workshop that could include representatives from FTA Region IX as well as FTA Headquarters. The PMOC's is looking to hold a workshop in the 1st Quarter of 2011.

2.1.3 Compliance with Applicable Statutes, Regulations, Guidance and FTA Agreements

National Environmental Policy Act (NEPA)

- The Notice of Availability of the Final Environmental Impact Statement (FEIS) was published in the Federal Register on June 25, 2010. The comment period was extended to August 26, 2010.
- At this time, the date for issuance of an ROD cannot be determined.

Letters of No Prejudice (LONP)

- The City is still developing an LONP approach for the Project. In a December 1, 2009 letter to the City, the FTA clarified its policies and procedures related to LONPs. The letter states, "After completion of NEPA, FTA will consider LONPs for activities not covered by automatic pre-award authority on a case by case basis. Absent of pre-award authority or an LONP, no project cost can be incurred and be eligible for reimbursement or as local matching for any portion of the entire 20 mile alignment."
- The most critical LONP that will be requested by the City is for the WOFH DB Project. Kiewit's approved schedule indicates construction starting in the fall of 2010. This will not occur. Based on the LONP checklist the City will need an ROD, updated cost estimate, updated schedule, Risk Assessment, Risk and Contingency Management Plan, and Financial Management Plan before an LONP could be considered by the FTA. It is the PMOC's professional opinion that the City may not receive an LONP to start construction until mid-2011 or later. The FTA will consider LONPs for activities not covered by automatic pre-award authority on a case-by-case basis following completion of the NEPA process.

2.2 Project Scope

The Project is a 20-mile fixed guideway rail system along Oahu's south shore between East Kapolei and Ala Moana Center. This Project is based on the Airport Alignment, which currently includes 21 stations. The alignment is elevated, except for a 0.5-mile at-grade portion at the Leeward Community College Station. The Airport alignment will average a total of 97,500 weekday boardings at the Revenue Operations Date in the year 2019 and 116,300 weekday boardings in the year 2030. It will provide two significant areas with potential for Transit Oriented Development, one near the Airport and one in the surrounding industrial areas. It is anticipated that the initial fleet will include 76 "light metro" rail vehicles.

2.2.1 Status of Design/Construction Documents

The City has developed a Compendium of Design Criteria for all design elements along with its standard specification and standard and directive drawings. These items have now been made available to the PMOC for review although the City has noted that some sections are being revised and will be made available to the PMOC when complete. The PMOC's initial review finds these documents to be well prepared. The PMOC's detailed review of all design and design support documents is ongoing and will be completed in advance of the City's request to enter Final Design. The design status of each contract package is discussed in Appendix B.

The City held a Value Engineering Workshop the week of April 19-23, 2010, which the PMOC attended as an observer. The focus of the workshop was originally to include the Airport Segment Guideway and Utilities, City Center Segment Guideway and Utilities, and station packages. However, the City has subsequently determined that the workshop will only focus on the station packages. The objective of the VE workshop was to provide value engineering for six stations along the alignment – West Loch, Pearl Highlands, Aloha Stadium, Kalihi, Downtown, and Ala Moana Stations, representing elevated stations with and without concourses, direct access stations, and unique stations. As part of VE, the team was expected to consider not just ways of cutting costs, but also ways to reduce project risks, enhance operations, and bring to light any improvement opportunities that may exist. The GEC will provide the City with a draft VE report of workshop findings and recommendations in August 2010 for internal review. A final VE Report will be provided to the PMOC in September 2010 including a list of VE recommendations the City intends to implement.

Through the DB procurement, the City allows for submittal of Alternate Technical Concepts for the contractors. The City has prepared a draft summary of submitted and accepted Alternate Technical Concepts. They will prepare a report that includes estimated capital and implementation costs, expected cost savings and back-up documentation in accordance with FTA guidelines. This report will be submitted by the end of September 2010.

Although a final decision will not be made in the near term, the City is now considering the use of DB for the remaining two line segments. If they do decide to utilize Design-Bid-Build (DBB) method, the City recognizes they will be required to be completed Value Engineering for these segments as well.

2.2.2 Status of Third-Party Agreements

The following table provides the status of Third Party Agreements for the project:

Agreement	Completion Date	Status
University of Hawaii Master Agreement	Pending	UH Reviewing
Leeward Community College Sub-agreement	Pending	UH Reviewing
Department of Education Master Agreement (Waipahu High School)	Pending	DOE Reviewing
Department of Education Consent to Construct	Pending	DOE Reviewing
DHHL Master Agreement (Drum Site)	10-Mar-10	Executed
Department of Land and Natural Resources Executive Order Request for WOFH	Pending	Request sent to DLNR but agency will not review until after ROD
Department of Land and Natural Resources Consent to Construct for WOFH	Pending	Request sent to DLNR but agency will not review until after ROD
Easement Request for Navy Property	Pending	Navy is processing request
HDOT Master Agreement	Pending	Wording of agreement accepted by HDOT and City. Exhibits being prepared to finalize agreement for acceptance.
Department of Hawaiian Homelands (DHHL) License Agreement	Pending	Draft in progress

The following table provides a summary and status of the Utilities Engineering Services Agreements for the Project:

Utility	West Oahu/Farrington Highway DB Contract	Kamelameha Highway DB Contract
AT&T Corporation	Purchasing waiting for outstanding certificates from utility	Engineering cost requested
Chevron Products Company	Complete	Engineering cost requested
Hawaiian Telcom, Inc.	Complete	Engineering cost requested
Hawaiian Electric Company, Inc	Compensation through agreement with GEC	Cost Received from utility
Oceanic Time Warner Cable	Complete	Engineering cost requested
Pacific LightNet Inc.	Complete	Engineering cost requested
Sandwich Isle Communications Inc.	Complete	Engineering cost requested
The Gas Company	Complete	Cost Received from utility
TW Telecom	Complete	Cost Received from utility
Tesoro Hawaiian Corporation	Request cancelled since utility has no impacts on this contract	Engineering cost requested

2.2.3 Delivery Method

Appendix B provides the status of the various design and construction contracts associated with this Project. The following is a list of contracts, delivery methods and contract packages anticipated for the project (number in parentheses indicates number of anticipated contracts if more than one):

- Professional Services
 - Project Management Consultant (PMC)
 - General Engineering Consultant (GEC)
 - Legal Services
 - Leadership in Energy and Environmental Design (LEED) Commissioning
 - Insurance Consulting for Owner Controlled Insurance Program
 - Drilled Shaft Load Testing
 - Real estate support consultant
- Design and Construction Services
 - Guideway & Utilities Design (2)
 - Stations Design (8)
 - Design-bid-build (DBB) Construction Engineering Inspection (5-7)
- Construction and Procurement Contracts
 - 3 Design-Build Contracts – Guideway (2) and MSF
 - Design-Bid-Build Contracts
 - Stations (8) – 1-3 stations each contract
 - Utility Relocation (2)
 - Guideway Construction (2)
 - System-wide Landscaping
 - Vehicle/Core Systems Design-Build-Operate-Maintain (DBOM)
 - Elevator/Escalator

In accordance with the Contract Packaging Plan developed by the City, construction of the project guideway is to be implemented in four segments. A summary of the Contract Packaging Plan for PE is currently included in the PMP as the project delivery approach for the Project. The four guideway segments and method of delivery identified are:

- Segment I – East Kapolei to Pearl Highlands – DB
- Segment II – Pearl Highlands to Aloha Stadium – DB
- Segment III – Aloha Stadium to Middle Street Station – DBB
- Segment IV – Middle Street Station to Ala Moana Center – DBB

The DB approach is being planned to advance the project schedule in order to minimize escalation costs and start construction of the initial portion of the project while the remainder of the project proceeds through the DBB process. Work on these early contracts (Segments I & II, Maintenance and Storage Facility and Core Systems) is planned to be initiated after the ROD but ahead of the FFGA, utilizing excise tax funding. However, as noted above, any design activities beyond PE or construction activities not covered by automatic pre-award authority would require an LONP, which would be considered on a case-by-case basis. Also as noted previously, Segment III and IV are currently planned to be constructed using DBB methodology. However, the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

2.2.4 Vehicle Status

Vehicle procurement is included in the Core Systems DBOM Contract. The current assumptions for the vehicles include a total active rail car fleet of 76 “light metro” railcars. The railcar being proposed is an automated light metro car, similar to railcars currently in operation in Vancouver, Copenhagen, and Oslo, but not in the United States. The railcar would have three doors per side and a length of approximately 60 feet. Vehicles could run in two-, three-, or four-railcar trains. Following is a summary of the anticipated vehicle characteristics (subject to change based on proposals that will be received from DBOM contractors):

- 76 light metro vehicles (identified as heavy rail in SCC workbook)
- Standard gauge, steel wheel on steel rail
- Fully automated, manual operation possible (hostler panel)
- Nominal vehicle dimensions:
 - Length: 60 feet
 - Width: 10 feet
 - Height: Up to 13.3 feet
 - Floor Height: 3.77 feet above top of rail (at entry)
- Nominal Passenger Capacity: 190 per vehicle (AW2 load)
- Electric traction via third rail, nominal 750V direct current supply, all axles powered
- Semi-permanently coupled, bi-directional trainsets
- Wide gangways between end and middle cars
- 2 to 3 double passenger plug doors per side (per car)
- Manual crew doors with steps
- Dynamic / regenerative braking
- Alternating current propulsion
- 30+ year design life

2.3 Project Management Plan and Sub-Plans

The following table presents the status of each City-provided management deliverable:

Management Deliverable	Revision No.	Latest Revision Date	Next Revision Date	Notes
Project Management Plan (PMP)	3	16-Feb-10	Oct-10	Review comments provided 28-Apr-10
Quality Management Plan (QMP)	1	17-Aug-10	TBD	PMOC to review final draft of QMP submitted by the City
Real Estate Acquisition Management Plan (RAMP)	3	15-Oct-09	Dec-10	Working draft of Rev. 4 has been provided to PMOC for review. Rev 4 will be issued once more accurate target for ROD is identified
Bus Fleet Management Plan (BFMP)	0	Jun-10	TBD	PMOC provided comments in Aug-10
Rail Fleet Management Plan (RFMP)	0	Apr-09	Dec-10	Update will be based on information from Core Systems Contractor
Safety and Security Management Plan (SSMP)	2	01-Apr-10	Oct-10	Review comments provided 28-Apr-10
Safety and Security Certification Plan (SSCP)	0	Feb-10	Oct-10	Review comments provided 28-Apr-10
System Safety Program Plan	-	-	TBD	Will be prepared by Core Systems Contractor
System Security & Emergency Preparedness Plan	-	-	TBD	Will be prepared by Core Systems Contractor
Configuration Management Plan (CMP)	0	30-Apr-10	Oct-10	PMOC provided comments on draft in Aug-10

2.4 Project Schedule Status

The current MPS (data date of July 30, 2010) indicates issuance of a ROD on December 8, 2010 and approval to enter Final Design on May 31, 2011. The City must develop a Master Project Schedule (MPS) that reflects realistic dates for all key milestones identified in the FTA Roadmap for Final Design. The City should also accurately portray any impacts to the DB contract that has been awarded or the three DB contracts that are under procurement.

The PMOC does not have confidence to report on any target dates identified in the current MPS as they have all slipped from their baseline dates as shown in the table below. It is the PMOC's opinion that the current MPS does not contain sufficient detail and logic to accurately portray the City's planning efforts to execute the program within the latest budget estimate.

Activity ID	Delivery Method	Milestone Description	Finish Date		Variance (Days)
			PE Entry Baseline	MPS (Data Date 30-Jul-10)	
D250	N/A	FTA Approve Entry into Final Design	10-Aug-10	31-May-11	(294)
F270	N/A	FTA Award Full Funding Grant Agreement	11-Sep-10	1-Jul-12	(659)
I997	DB	Open Waipahu to Leeward Section	14-Dec-12	24-Dec-13	(375)
M999	DB	Maintenance Service Facility	01-Oct-13	4-Feb-15	(491)
I998	DB	Open East Kapolei to Leeward CC Section	31-Jul-14	2-Aug-15	(367)
I999	DB	Open Leeward CC – Pearl Highlands Section	27-Apr-15	8-Apr-16	(347)
J999	DB	Open Kamehameha Section	14-Sep-16	31-Mar-17	(198)
Z999	DBB	Open Airport Section	31-Oct-17	24-Aug-18	(297)
9999	DBB	Open to Ala Moana Center *** (ROD) ***	03-Mar-19	25-Dec-19	(297)

The PMOC understands the MPS remains in a dynamic state of development as the project refines in PE and Final Design; however, its current fundamental condition is not commensurate with control methods required to manage an awarded DB contract, or the multi-billion program as a whole.

The City should re-baseline the MPS and submit monthly progress updates against this baseline as part of their condition to enter the PE phase. The City has stated they could not revise the MPS due to not knowing when a ROD would be issued. During the PMOC September 2010 Progress Meeting, the PMOC re-emphasized the importance of maintaining of program schedule with up to date information. The PMOC recognizes such information may change as the Project progresses, but at a minimum, targets should be identified to track metrics for the Project.

The City indicated at the September 2010 Progress Meeting that they will be revising their MPS to reflect more realistic dates for all activities. It is anticipated that a draft of the revised MPS will be available for an “over the shoulder” review in November 2010. A revised baseline MPS is then anticipated to be provided to the PMOC in December 2010.

The following is a 90-day look ahead for important activities associated with the Project:

Period: September – November 2010		
Activity	Responsibility	Date
Core Systems Contract Workshop	City, PMC, GEC and PMOC	September 1, 2010
Monthly Progress Meeting	City and PMOC	September 2, 2010
Kamehameha Highway DB Proposals Due	City	October 7, 2010
Monthly Progress Meeting	City and PMOC	October 7, 2010
Monthly Progress Meeting	City and PMOC	November 3, 2010
WOFH DB Contract Partnering Session	City, PMC, GEC and PMOC	November 4, 2010
Cost Estimate Workshop	City, PMC, GEC and PMOC	November 2010
Schedule Workshop	City, PMC, GEC and PMOC	November 2010
FTA Issues ROD	FTA	TBD

2.5 Project Cost Status

The Project Budget submitted with the City's request to enter PE is as follows:

Base Cost Estimate	\$3.838 billion
Total Contingency	\$1.219 billion (31.8% of Base Cost Estimate)
Finance Charges	\$0.290 billion
Total Project Cost	\$5.348 billion

Additional project costs include the following:

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Grand Total Project Cost	\$5.532 billion

Total Expenditures to Date \$0.101 billion (July 2010)

The City is preparing a bottoms-up cost estimate for the Project. The PMOC will provide an over the shoulder review of the draft bottoms-up cost estimate with the City in November 2010. The PMOC will provide their opinion and comments to the City during this over the shoulder review. A final bottoms-up cost estimate is then anticipated to be provided to the PMOC in December 2010.

2.5.1 Standard Cost Category (SCC)

The SCC Workbook, including Main and Inflation worksheets, is submitted as a separate electronic file. The City is in the process of preparing a detailed bottoms-up estimate. In addition, the PMOC recommends that the City perform quality assurance checks to verify scope inclusivity and escalation of SCC categories in accordance with the MPS. The cost estimate and Basis of Estimate should provide more justification and backup documentation supporting the quantification and assumptions for the "soft costs" and related General Conditions for the project.

2.5.2 Funding Sources

The following are the project capital revenue (funding) sources provided by the City during the May 2010 Progress Meeting:

General Excise Tax (GET)	\$3.698 billion
Section 5309	\$1.550 billion
Section 5307	\$0.300 billion
ARRA (Section 5307)	\$0.004 billion
Interest	\$0.011 billion
Total	\$5.563 billion

The City is hopeful that it will be able to reduce the need for Section 5307 funds through project development (i.e. refined Base Cost Estimate and revenue estimates during PE) and an aggressive bidding environment.

The GET surcharge receipts received to date are approximately \$536.0 million. Additional surcharge revenues are received approximately 30 days following the end of each quarter.

2.6 Project Risk

The PMOC completed a scope, schedule, and cost review in advance of completing a risk assessment of the Project as part of the evaluation of the Grantee's request to enter PE. A FINAL Spot Report was submitted in July 2009. The Spot Report included recommendations for cost and schedule contingency and identified key risks. However, this effort did not include development of risk management tools (e.g., Primary Mitigation Deliverables, Secondary Mitigation Activities, or a Risk and Contingency Management Plan). It is anticipated that the risk management tools will be developed in conjunction with an update of the risk assessment to support the City's request to enter Final Design.

2.7 Action Items

Item No.	Item	Responsible Party	Date Identified	Date Due	Date Completed	Status
1	Schedule Safety and Security Workshop	FTA/PMOC	4-Nov-09	1Q11		Open
2	Schedule Roadmap meeting for Entry into FD	FTA/PMOC	16-Dec-09	12-Aug-10		Open
3	FTA to provide informal review comments on initial appraisals prepared by the City.	FTA	Aug-10	Sept-10	Aug-10	Closed
4	Schedule/Estimate workshop	PMOC	Jun-10	Nov-10		Open
5	Provide PE package for Airport	City	May-10	Oct-10		Open
6	Provide escalation methodology	City	May-10	Sep-10		Open
7	Environmental Mitigation Monitoring Plan	City	Jul-10	Oct-10		Open
8	City to coordinate meeting with PMOC and State Oversight Agency	City	Jul-10	Oct-10		Open
9	PMOC to provide staffing plan matrix examples	PMOC	Aug-10	Aug-10	Aug-10	Closed
10	City to provide the PMOC with a list of CSC evaluation committee and technical committee members.	City	Aug-10	Aug-10		Open
11	VE Final Report for Stations/ATC for DB contracts	City	Aug-10	Sept-10		Open
12	ISO 9001 Comparison/FTA QA Requirements	PMOC	Sept-10	Oct-10		Open

APPENDICES

Appendix A: Acronym List

BFMP	▪ Bus Fleet Management Plan
CSC	▪ Core Systems Contract
DB	▪ Design-Build
DBB	▪ Design-Bid-Build
DBOM	▪ Design-Build-Operate-Maintain
DHHL	▪ Department of Hawaiian Homelands
FD	▪ Final Design
FEIS	▪ Final Environmental Impact Statement
FFGA	▪ Full Funding Grant Agreement
FONSI	▪ Finding of No Significant Impact
FTA	▪ Federal Transit Administration
FY	▪ Fiscal Year
GEC	▪ General Engineering Consultant
GET	▪ General Excise Tax
HAR	▪ Hawaii Administrative Rules on Procurement
HDOT	▪ Hawaii Department of Transportation
HHCTC	▪ Honolulu High Capacity Transit Corridor Project
LCC	▪ Leeward Community College
LEED	▪ Leadership in Energy and Environmental Design (LEED)
LONP	▪ Letter of No Prejudice
MSF	▪ Maintenance and Storage Facility
NEPA	▪ National Environmental Policy Act
NOA	▪ Notice of Availability
NTP	▪ Notice to Proceed
PA	▪ Programmatic Agreement
PE	▪ Preliminary Engineering
PMOC	▪ Project Management Oversight Contractor
PMP	▪ Project Management Plan
PMC	▪ Project Management Consultant
QMP	▪ Quality Management Plan
RAMP	▪ Real Estate Acquisition and Management Plan
RFMP	▪ Rail Fleet Management Plan
RFP	▪ Request for Proposals
RFQ	▪ Request for Qualifications
ROD	▪ Record of Decision
ROD	▪ Revenue Operation Date
RPZ	▪ Runway Protection Zone
SOA	▪ State Oversight Agency
SSCP	▪ Safety and Security Certification Plan
SSEPP	▪ System Security and Emergency Preparedness Plan
SHPO	▪ State Historic Preservation Office
SSMP	▪ Safety and Security Management Plan
SSPP	▪ System Safety Program Plan
WOFH	▪ West Oahu/Farrington Highway
YOE	▪ Year of Expenditure

Appendix B: Contract Status

The following sections provide the scope and status of the various contracts identified for this Project.

Project Management Consultant (PMC) Contract.

- Scope – The consultant will serve as a program manager in providing oversight of the PE, FD, and construction activities for all DB and DBB contracts.
- Status – The City awarded a contract to InfraConsult LLC in November 2009 to provide Project Management Support Services. The PMC Agreement is for five years with a Not-to-Exceed amount of \$36.7 million.

General Engineering Consultant (GEC II) Contract

- Scope – The consultant will provide services related to elevated guideway engineering, systems engineering, rail station design, construction management oversight, procurement, contract administration, configuration control, claims support, scheduling, project financing and environmental planning. After the qualifications are evaluated and the top qualifier is selected, the City will develop the detailed scope of the contract. The GEC II Contract will include a ten year period of performance. The City expects to hire separate Construction Engineering and Inspection firms to provide field services for the DBB contracts.
- Status – The City has begun procurement of the General Engineering Consultant (GEC) contract (GEC II). Due to the length of time that had elapsed between submittal of proposals and the potential date for selection (October 2010), the City allowed the proposers to “refresh” their proposals. This will allow the consultants that submitted proposals an opportunity to provide the City with the most current staffing available rather than submitting substitution of personnel whose expertise and experience are equivalent to that which would have been provided by the originally listed personnel. The City may finalize selection of the GEC prior to issuance of the Record of Decision (ROD) following completion of the FEIS publication process.

The City issued a NTP for the GEC I contract on August 27, 2007. Three contract amendments have been issued to GEC I. Amendment #4 of the GEC I contract was issued on February 28, 2010 that extended the period of performance 120 days (until June 30, 2010) and authorized a \$12 million increase in budget. This increase brought the total budget for the GEC I contract to \$115.9 million for the period of August 27, 2010 to June 30, 2010. Amendment #4 of the initial GEC contract (GEC I) was issued on February 28, 2010 to extend the period of performance 120 days (until June 30, 2010). This amendment included an authorized budget increase of \$12 million, bringing the total contract value to \$115.9 million.

The pre-PE costs for the GEC I contract were approximately \$88.6 million. The \$27.3 million balance covers the GEC I contract from approval to enter PE through June 30, 2010. The City will issue another contract amendment to extend the GEC I contract until December 31, 2010 and authorize another increase in the budget of \$18 million (\$3

million per for six months). The total contract value could increase to \$133.9 million if the full period of performance for amendment is needed.

West Oahu/Farrington Highway (WOFH) DB Contract

- Scope – This contract includes the design and construction of a portion of the guideway alignment from the initial station at East Kapolei and continuing approximately 6.8 miles to a point just east of the planned Pearl Highlands station. The alignment runs along the east side of North South Road. This portion of the guideway is being identified as the West Oahu/Farrington Highway Design-Build Contract. The guideway is comprised mostly of a two-track aerial structure with a 0.3-mile portion of twin single-track guideways and a 0.3-mile section of guideway at grade.

As the alignment approaches Leeward Community College (LCC), the guideway alignment traverses from the median of Farrington Highway to the makai side of the highway where it transitions to an at-grade section. Once at grade, the entrance(s) to the Maintenance and Storage Facility (MSF) is (are) encountered. The Guideway crosses Ala Ike Road at two locations, with the roadway passing under the guideway alignment in box-culverts. At the LCC Station, a station plaza area is planned to allow passengers to walk under the guideway to access either platform.

- Status – Kiewit Constructors was awarded a \$482,924,000 contract on November 18, 2009. Notice to Proceed (NTP) #1 was issued on December 1, 2009 to Kiewit. The maximum reimbursable amount under NTP #1 is \$27 million. NTP #1 is for approximately 90 days and the scope of work for Kiewit is limited to the elements of PE whose principal purpose is refinement and validation of information supporting the NEPA process. NTP #2 will be issued shortly following the issuance of the Record of Decision (ROD).

The City issued NTP #1A on March 11, 2010. NTP #1A authorizes \$25.8 million for PE activities to be completed. They then issued NTP #1B on March 23, 2010 authorizing interim design activities. NTP #1B authorizes \$21.2 million for added definitive and interim PE activities to be completed. The City has indicated that NTP #1A and NTP #1B would provide sufficient work for the contractor through approximately July 2010. The City issued NTP #1C to Kiewit on June 7, 2010 to authorize \$3.5 million for test and demonstration drilled shafts to complete the deep foundations interim design. The City believes, and the PMOC concurs, that this work is consistent with the permission the City received from FTA to enter PE.

NTP #3 is to be issued for Final Design work activities, as defined by the City. NTP #4 is to be issued for construction activities.

The City will need to seek Letter(s) of No Prejudice for any work beyond the scope of NTP #2. The current MPS does not contain realistic dates for LONPs as discussed in Section 2.4 of this report.

The contractor has provided the City with the following Definitive Design Submittals: plan and profile; superstructure; utility relocation; maintenance of traffic; and roadway lighting. Once these submittals are approved, the contractor will begin preparing Interim Design submittals.

The City has received twenty "Contractor Request for Change" from Kiewit. The City has nine draft "Request for Change Drafts" in process. The City has submitted six "Request for Change" for Kiewit to review:

- (1) Directive Drawings, design Criteria & Standard Specifications.
 - (2) Method Shaft Variance
 - (3) LCC Station Revisions
 - (4) HDOT Master Agreement.
 - (5) Floodplain mitigation in Waipahu and Waiawa areas
 - (6) Relocation of Trees
- Schedule – The City has approved the schedule submittal, and the PMOC has received a copy of the schedule electronic file approved by the City on May 20, 2010. The contractor is preparing a schedule analysis for NTP delays.
 - Cost
 - Original Contract Value – \$482,924,000
 - Current Contract Value – \$482,924,000
 - Expended to Date – \$55,481,184
 - % Expended – 11.5%
 - Approved Change Orders – \$0.00
 - Total Encumbrance (City) – \$520,846,930
 - Issues or Concerns
 - The executed agreement for the WOFH DB Contract calls for issuance of all four NTPs within 120 calendar days of the December 1, 2009 NTP #1 date. Since that requirement was not met, the City reviewed Kiewit's schedule of milestones and the baseline schedule to determine whether there has been a schedule or a cost impact. The City officially approved Kiewit's schedule on April 30, 2010. The City also formally responded on April 28, 2010 to Kiewit's request for change resulting in delay of NTP 2, 3 and 4. In their response, the City provided revised dates for Kiewit to assess the impacts of delays in the issuance of those NTPs. Specifically, the revised dates provided by the City to be used in Kiewit's assessment are as follows:
 - (1) NTP #2 – July 15, 2010
 - (2) NTP #3 – September 15, 2010
 - (3) NTP #4 – December 15, 2010

However, subsequent to the April 28, 2010 letter, the City sent a letter to Kiewit stating that NTPs #2, 3 and 4 would not occur until March 2011 and Kiewit should revise their schedule accordingly. The PMOC has noted to the City that this date is still be aggressive and may be untenable given the requirements that must be met prior to issuance of any LONPs.

- The City has indicated that the contractor's preferred location for the precast yard is at Barber's Point. However, Kiewit is considering alternatives pending timing and availability of property. No decision will be until late this year (closer to the anticipated ROD date).

Kamehameha Highway Guideway DB Contract

- Scope – The contractor will design and construct a portion of the guideway alignment from the initial station at East Pearl Highlands to a point just east of the planned Aloha Stadium Station, a distance of approximately 3.9 miles. This portion of the guideway is being identified as the Kamehameha Highway Design-Build Contract. The guideway is comprised of a two-track aerial structure.
- Status – The Kamehameha Highway Guideway was originally to be constructed using DBB, but the City decided to utilize DB to take advantage of the perceived favorable bid climate. RFP Part 1 was issued on November 18, 2009, with responses received on January 5, 2010. RFP Part 2 was issued on March 19, 2010. Technical and price proposals were due September 9, 2010. However, the due date was extended to October 7, 2010, with prices now valid until April 5, 2011. The City will make a selection in November 2010. The City has indicated that they will not award this contract until after receipt of a ROD. The contract is set up for multiple NTPs, if needed.

RFP Part 2 contains early PE-level documents. The contractor will advance the drawings in the RFP Part 2 contract documents to the Definitive and Interim Design levels during the PE phase of the project.

- Cost – The budget for this contract is \$323.5 million.
- Schedule – The Kamehameha Guideway DB project is approximately 48 months in duration.
- Issues or Concerns
 - The PMOC received RFP Part 2 documents on April 8, 2010 for this contract and has begun a review.

Maintenance and Storage Facility DB Contract

- Scope – The contractor will design and construct the MSF to accommodate 80 revenue vehicles. The maximum capacity of the site is 100 revenue vehicles. The Shop Facility will include administrative and operational offices for the agency, including an Operations Control Center. The MSF will be designed and commissioned to achieve Leadership in Energy and Environmental Design (LEED) Green Building Rating System Silver Certification, and will operate in accordance with FTA Sustainable Maintenance and Operational Standards. The scope of the contract includes the procurement of all rail materials.

- Status – RFP Part 1 was issued on May 28, 2009. RFP Part 2 was issued on July 24, 2009. Technical and price proposals were received on February 17, 2010, with prices valid until August 16, 2010. The City issued a letter of intent to award the MSF contract to Kiewit/Kobayashi Joint Venture on June 24, 2010 in the amount of \$195 million. A letter of intent of award does not trigger the City to issue NTP as an award letter would do. The City's cost estimate was \$254 million. The price proposal expired on August 16, 2010, but the City sent a letter to Kiewit/Kobayashi requesting an extension of their pricing until March 15, 2011. The City is awaiting a formal response to their letter request. The City has indicated that an award will not be made until after receipt of a ROD.

RFP Part 2 contains early PE-level documents. The contractor will advance the drawings in the RFP Part 2 contract documents to the Definitive and Interim Design levels during the PE phase of the project.

- Cost – The budget for this contract is \$254 million, of which approximately \$156 million is for MSF design and construction and the remainder, is for track material procurement.
- Issues or Concerns
 - The Memorandum of Agreement (MOA) has been executed with the DHHL or the Navy Drum Site. However, the City must sign a License Agreement with the DHHL prior to any construction beginning.

Vehicle/Core Systems DBOM Contract (CSC)

- Scope – A Design-Build-Operate-Maintain (DBOM) contract is anticipated to be awarded by the City to more closely synchronize with ROD and will include the following:
 - Design and manufacture of vehicles
 - Design, manufacture, and installation of systems components including train control communications, traction power, Central Control and fare collection equipment
 - Operations and Maintenance.

The Operations and Maintenance contract will extend 5 years beyond the full build revenue date (2019), with an additional 5 year option. The Operations and Maintenance contractor will be responsible for Intermediate Operating Section Openings (6 sections including the demonstration section opening in 2012).

- Status – RFP Part 1 for the Vehicles/Core Systems Design-Build-Operate-Maintain Contract (CSC) was issued on April 8, 2009. RFP Part 2 was issued on August 17, 2009. Technical and price proposals were received on June 7, 2010, with price proposals valid until December 4, 2010. The City held a first meeting with each offeror during the week August 8, 2010 to address technical and quality components of their proposals. If the City considers requesting a Best and Final Offer, selection will likely occur in late fall 2010. However, the City has indicated that they will not award this contract until after receipt of a ROD.

- Cost – The budget for this contract is \$650 million, including equipment and installation.
- Issues or Concerns
 - The PMOC received RFP Part 2 documents on May 12, 2010 for this contract and has begun a review.
 - The PMOC participated in a workshop on August 31-September 1, 2010 with the City, PMC and the GEC to discuss the CSC Terms and Conditions and obtain a general understanding of how the RFP Part II documents were developed. The City also provided a list of the evaluation committee and technical committee to better assess the City’s approval process. The PMOC will schedule another workshop after the City selects the contractor to discuss the basis of the awarded contract and any follow up questions the PMOC may have once it reviews the final contract including any addendums issued by the City and Alternate Technical Concepts submitted by the contractor. This will assist the PMOC with assessing the Technical Capacity and Capability of the Grantee, Scope, Schedule and Cost reviews as it prepares to receive approval from the FTA to enter FD.

Airport Guideway & Utility Relocation DBB Contract

- Scope – The project delivery method for the guideway and utility relocations will be DBB. The City anticipates awarding separate construction contracts for the utility relocation and guideway. This segment extends from Aloha Stadium Station to Lagoon Drive Station.

It should be noted that the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

- Status – This segment is in the PE phase. The PE drawings are under final review by the City, and the GEC is completing quantity take-offs. Utility relocation and guideway construction are anticipated to begin in late 2011 and early 2012, respectively.
- Cost – The estimated contract value will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time.

City Center Guideway & Utility Relocation DBB Contract

- Scope – The project delivery method for the guideway and utility relocations will be DBB. The City anticipates awarding separate construction contracts for the utility relocation and guideway. This segment extends from Lagoon Drive Station to Ala Moana Center Station.

It should be noted that the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

- Status – This segment is in the PE phase. The PE drawings are under final review by the City, and the GEC is completing quantity take-offs. Utility relocation and guideway construction are anticipated to begin in late 2011 and early 2012, respectively.
- Cost – The estimated contract value will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time. The City is in the process of finalizing third party agreements for utility relocations.

Station Packages

- Scope – All stations will be implemented using DBB. The City has developed station group packages for design, and it intends to issue construction contracts based on those station packages. Following are the packages that the City is currently considering:
 - The West Oahu Station Group, consisting of three stations: East Kapolei, UH-West Oahu and Hoopili.
 - The Farrington Station Group, consisting of three stations: West Loch, Waipahu Transit Center and Leeward Community College.
 - The Pearl Highlands Station, H2 Ramps and Garage Group, consisting of one station at Pearl Highlands, new ramps from H2 to access the station and a multi-level parking structure.
 - The Kamehameha Station Group, consisting of two stations: Pearlridge and Aloha Stadium.
 - The Airport Station Group, consisting of three stations: Pearl Harbor Navy Base, Honolulu International Airport, and Lagoon Drive.
 - The Dillingham Station Group DBB contract, consisting of three stations: Middle Street Transit Center, Kalihi and Kapalama.
 - The City Center Group, consisting of three stations: Iwilei, Chinatown and Downtown.
 - The Kakaako Station Group, consisting of three stations: Civic Center, Kakaako and Ala Moana Center
- Status – The Request for Qualifications (RFQ) for Farrington Stations Design was released on October 13, 2009, with responses received in early January 2010. Design is procured in a one-step RFQ process. HDR/HPE, Inc has been selected and has reached an agreement with the City on the scope/budget for the project. The City is expecting to finalize the contract in August 2010 and issue a NTP to complete PE in September 2010.

The RFQ for the West Oahu Station Group was released January 13, 2010, with responses received on February 17, 2010. Qualifications are being evaluated by the City for advanced PE on the West Oahu Station Group. Ranking should be approved and negotiations to commence in September 2010. To better match anticipated cost with systems needs alternate packaging is being evaluated that could separate H2 ramps, station and transit terminal for the Pearl Highlands Station and Transit Terminal. Alternative contract delivery options are also under consideration.

- Cost
 - The estimated contract value for each station design package is \$2 million.
- Issues or Concerns
 - None identified at this time.

Elevators and Escalators

- Scope – The City intends to issue a DB contract to furnish, install, test, and commission all elevator and escalator equipment.
- Status – The City anticipates procuring this contract in 2011. Limited PE has been completed for this package.
- Schedule – Following are the key contract dates:
 - Prepare Procurement Packages – January 2011
 - Bid-Award Elevator Packages – May 2011
 - Elevator & Escalators Construction – January 2012
- Cost – The estimated contract values will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time.

Appendix C: PE Approval Letter Requirements

No.	Item	City Responsible Person	Target Completion Date	Actual Completion Date	Comments
Project Scope, Design and Development					
1	Identify any third party agreements necessary for project completion, including utility agreements with private and public owners and military	LR / HLB	Jan-10	Jan-10	
2	Resolve the specific regarding proximity of the guideway to runways 22R/4L and 22L/4R at the Honolulu International Airport with HDOT and FAA	HLB	Apr-10	May-10	
3	Fully develop vehicle basis of design and functional sizing	JS	Nov-10		PMOC will review selected proposal to determine whether it meets operational criteria; it is anticipated review will take one month
4	Determine rail fleet size requirement	JS	Nov-10		Delayed due to change in CORE Systems proposal due date
5	Fully develop scope for the administration building and operations control center	JS / HLB	1Q11		
6	Determine the final location of the maintenance and storage facility	FM	Jan-11		Will execute License Agreement after ROD
7	Finalize a contracting packaging plan which includes a source selection plan(s) and contract specific work plans	SZ	Nov-10		
8	Develop strategies to streamline the City's process to award contracts and to enter into grant agreements, especially as applicable to FTA grants	LR	TBD		Resolution provided to FTA and PMOC after City Council approval in Dec-09. Will be included on ballot in Nov-10 election.
9	Develop a preliminary operation plan	JS	Mar-10	08-Feb-10	
10	Ensure the service velocity does not erode over the next course of design changes	JS	Nov-10		Currently being evaluated. It has been noted that a few seconds delay may be added on the round trip time due to the Ualena Airport Alignment shift.
Project Schedule					
11	Provide a baseline of the master Project Schedule (MPS) early in PE which will be used for monthly progress updates and tracking schedule variances	MH	Nov-10		Base line to be revised in Nov-10

No.	Item	City Responsible Person	Target Completion Date	Actual Completion Date	Comments
12	Address the utilization manpower and equipment resource loading and budget and cost loading	MH	Nov-10		City acknowledged that schedule is cost loaded but will not be resource loaded
13	Include critical activities in the MPS: utility activities, real estate acquisitions, system integration, starting and testing, operational commissioning and training, vehicle procurement, major construction material procurement, FTA review and comment, detail activities for early construction packages	MH	Nov-10		
14	Develop a right-of-way schedule	MH	Nov-10		Initial schedule was submitted, but schedule will be revised to reflect current PE design
15	Modify the Work Breakdown Structure to cross over with the project budget and cost breakdown structure	MH	Jan-10	21-Dec-09	
Project Cost					
16	Develop a detailed bottoms-up-style project cost estimate to Standard Cost Category format. The estimate should be detailed sufficiently to determine distributions of materials, labor, equipment and general conditions elements at a minimum. The soft cost estimates should be based on staffing plans, force account plans, contracts and so forth rather than solely on percentages. The estimate should eliminate parametric-style values, cost estimating relationships, and lump sums as much as possible during PE	MH	Nov-10		
17	Escalate the cost estimate in accordance with the MPS	MH	Nov-10		Pending completion of Item No. 16
18	Provide justification and backup documents to support the quantification and assumptions for the "soft costs" and related general conditions of the project	MH	Nov-10		Pending completion of Item No. 16
Technical Capacity					
19	Configuration management and change control mechanism	KG	Oct-10		
20	Develop detailed staffing plans for all remaining phases of the project to ensure adequate technical capacity. The plans should include the dates by which the City will fill each key position. All key City management positions should be filled during PE.	TH/PR	Oct-10		

No.	Item	City Responsible Person	Target Completion Date	Actual Completion Date	Comments
21	Work with the State of Hawaii to establish a State Safety Oversight Agency office to oversee the project	KA	Apr-10	6-Apr-10	
22	Submit a fully developed Rail Fleet Management Plan	JS	Dec-10		
23	Have a quantifiable metrics for measuring the real status of work, both cost and schedule of all professional service contracts, and any inter-local agreements for participatory services	MH	Oct-10		
24	Develop a Contingency Management Plan which will identify the specific risks and implement the anticipated mitigation measures	SZ	Nov-10		
25	Develop an Environmental Mitigation Plan that identifies required environmental mitigation actions and the party responsible for the mitigation and that will eventually become the basis for quarterly mitigation monitoring and quarterly mitigation reports	JA/FM	Oct-10		
26	Update and implement the: Real Estate and Acquisition Plan Bus Fleet Management Plan Safety and Security Management Plan Quality Management Plan	JL PK KA AB	Dec-10 Jun-10 Oct-10 Aug-10		PMOC provided review comments in Aug-10 Under review by PMOC, which will be completed in Sep-10

PMOC MONTHLY REPORT

Honolulu High-Capacity Transit Corridor Project
City and County of Honolulu
Honolulu, HI

October 2010

PMOC Contract Number: DTFT60-09-D-00012
Task Order No. 2: Honolulu High-Capacity Corridor Project
Project No: DC-27-5140
Work Order No. 1
OPs Referenced: OP 1 and 25

Jacobs Engineering Group, Inc., 501 North Broadway, St. Louis, MO 63102
Tim Mantych, P.E., (314) 335-4454, tim.mantych@jacobs.com
Length of Time Assigned: Five Years (November 18, 2009 through November 17, 2014)

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1.0 EXECUTIVE SUMMARY

1.1 Project Description

- **General Description:** The Project is a 20-mile elevated fixed guideway rail system along Oahu's south shore between East Kapolei and Ala Moana Center. This Project is based on the Airport Alignment, which includes 21 stations. The alignment is elevated, except for a 0.5-mile at-grade portion at the Leeward Community College station. The Project is planned to be delivered in four guideway segments.
 - Segment I (West Oahu/Farrington Highway) – East Kapolei to Pearl Highlands (6 miles/6 stations)
 - Segment II (Kamehameha Highway) – Pearl Highlands to Aloha Stadium (4 miles/3 stations)
 - Segment III (Airport) – Aloha Stadium to Middle Street (5 miles/3 stations)
 - Segment IV (City Center) – Middle Street to Ala Moana Center (5 miles/9 stations)
- **Length:** 20 miles
- **No. of Stations:** 21
- **Additional Facilities:** Maintenance and Storage Facility (MSF) and parking facilities
- **Vehicles:** 76 vehicles
- **Ridership Forecast:** Weekday boardings – 97,500 (2019); 116,300 (2030).

1.2 Project Status

- Preliminary Engineering (PE) – The City has submitted substantial technical information related to their completion of PE activities, as identified in Appendix C (PE Status by Contract). The PMOC continues to review all items and will present disposition of its assessment on the City's definition of the project scope through drawings, specifications, narratives, third party agreements, plans for the project delivery, etc, for adequacy and completeness at the completion of PE. The PMOC has targeted for submission of its assessment of the Project Scope Review to FTA in January 2011.
- Final Environmental Impact Statement (FEIS) – The Notice of Availability was published in the Federal Register on June 25, 2010. The comment period closed August 26, 2010.
- General Engineering Consultant II (GEC) – The City has ranked Parsons Brinkerhoff as the top rated firm during procurement. Negotiations are underway.
- West Oahu /Farrington Highway (WOFH) Design-Build (DB) Contract – Kiewit is scheduled to begin test and demonstration drilled shafts on October 18, 2010 under the authority of Notice to Proceed (NTP) #1C. This work is scheduled to be completed by January 31, 2011.
- Maintenance and Storage (MSF) DB Contract – The City sent a letter to the FTA on September 30, 2010 indicating their intention to issue NTP #1 to Kiewit/Kobayashi Joint Venture by November 1, 2010 to begin preliminary design.
- Kamehameha Highway Guideway DB Contract – Technical and price proposals were received on October 7, 2010, with prices valid until April 5, 2011. The City will make a

selection in December 2010. The City has indicated that they will not award this contract until after receipt of a ROD.

- Vehicles/Core Systems DBOM Contract (CSC) – The City is preparing a request for a Best and Final Offers. Selection will likely occur in December 2010. However, the City has indicated that they will not award this contract until after receipt of a ROD.
- Station Design – The City anticipates issuing an NTP to HDR/HPE, Inc. in November 2010 to begin advanced PE on the Farrington Station Group. The RFQ to begin advanced PE for the Kamehameha Station Group is expected to be released in November 2010.
- Professional Real Estate Services – The City is preparing an RFP document. It is anticipated that the RFP will be issued in October 2010, with selection targeted by the end of 2010.
- Hawaii Department of Transportation (HDOT) – The City has begun procurement on HDOT’s behalf for a consultant to support HDOT with design review and construction inspection services. Selection of a consultant is anticipated in October 2010.
- Owner Controlled Insurance Program (OCIP) Consultant – The City anticipates issuing RFP Part I in November 2010, following completion of a peer review of the RFP documents.
- Value Engineering (VE) – VE Report for Stations and Alternative Technical Concepts (ATC) from the DB proposals were provided to the PMOC for review in October 2010.

(Note: Full details on the status of all contracts discussed above are provided in Appendix B.)

1.3 Technical Capacity and Capability

The table in Section 2.3 presents the status of key required management deliverables.

1.4 Schedule

- **Preliminary Engineering (PE):** FTA Approval to Enter PE on October 16, 2009
- **Record of Decision:** Publication of the FEIS occurred on June 25, 2010. The comment period closed August 26, 2010. The City submitted their disposition of all comments to the FTA on October 4, 2010.
- **Revenue Operations Date (ROD):** December 2019 (current City target)

1.5 Cost Data

The Project Budget submitted with the City’s request to enter PE is as follows:

Base Cost Estimate	\$3.838 billion
Total Contingency	\$1.219 billion (31.8% of Base Cost Estimate)
Finance Charges	\$0.290 billion
Total Project Cost	\$5.348 billion

Additional project costs include the following:

Pre-PE Expenditures	\$0.082 billion
Financing Charges	\$0.103 billion (post-revenue operations)
Grand Total Project Cost	\$5.532 billion

Total Expenditures to Date \$0.110 billion (August 2010) (excludes pre-PE costs)

The City is preparing a bottoms-up cost estimate for the Project. The PMOC will provide an over the shoulder review of the draft bottoms-up cost estimate with the City in November 2010. The PMOC will provide their opinion and comments to the City during this over the shoulder review. A final bottoms-up cost estimate is then anticipated to be provided to the PMOC in December 2010.

1.6 Issues or Concerns

The following key issues or concerns have been identified:

- Regarding DB procurement prior to completion of NEPA process, Federal Register, Volume 72, No. 12 dated January 19, 2007, states on Page 2590:
 “The project sponsor must receive prior FTA concurrence (A) Before issuing the RFP and (B) awarding a design-build contract. Should the project sponsor proceed with any of the activities specified in this section before the completion of the NEPA process, FTA’s concurrence merely constitutes FTA’s acquiescence that any such activities complies with Federal requirements and does not constitute project authorization or obligate Federal funds, unless otherwise provided by FTA.”

The City did not seek FTA concurrence prior to issuing the RFP or awarding the WOFH DB contract. In addition, the City issued RFPs for three additional DB contracts prior to completion of NEPA and without requesting FTA concurrence – MSF DB Contract, Kamehameha Highway DB Contract, and Vehicle/Core Systems DBOM Contract. The City previously indicated that they would not award any additional DB contracts prior to issuance of the ROD. However, the City sent a letter to the FTA on September 30, 2010 indicating their intention to issue NTP #1 for preliminary design under the MSF DB Contract by November 1, 2010. To date, the FTA has not provided concurrence with this approach. If the City elects to award any of the contracts and issue an initial NTP prior to completion of the NEPA process, they must ensure that it complies with the requirements identified in Federal Register, Volume 72, No. 12 dated January 19, 2007 for DB procurement.

- The City must remain cognizant of the limits of the pre-award authority granted with the receipt of ROD. The City intends to issue multiple NTPs for its DB contracts. However, as noted in a December 1, 2009 letter to the City, the FTA will consider LONPs for activities not covered by automatic pre-award authority on a case-by-case basis following issuance of the ROD.

The executed agreement for the WOFH DB Contract identifies four NTPs within 120 calendar days of the December 1, 2009 NTP #1 date. Since that requirement was not

met, the City reviewed Kiewit's schedule of milestones and the baseline schedule to determine whether there has been a schedule or a cost impact. The City sent a letter to Kiewit stating that NTPs #2, 3 and 4 would not occur until March 2011 and directing Kiewit to revise their schedule accordingly for purposes of impact assessment. The PMOC has noted to the City that this date is aggressive and untenable given the requirements that must be met prior to issuance of any LONPs.

- The current Master Project Schedule (MPS) (data date of August 27, 2010) indicates issuance of a ROD on December 8, 2010 and approval to enter Final Design on June 28, 2011. The City must develop a MPS that reflects realistic dates for all key milestones identified in the FTA Roadmap for Final Design. The City should also accurately portray any impacts to the DB contract that has been awarded or the three DB contracts that are under procurement.

The City indicated at the October 2010 Progress Meeting that they will be revising their MPS to reflect more realistic dates for all activities. It is anticipated that a draft of the revised MPS will be available for an "over the shoulder" review in November 2010. A revised baseline MPS is then anticipated to be provided to the PMOC in December 2010.

- The City must execute a license agreement with the Department of Hawaiian Homelands (DHHL) to construct the MSF on the Navy Drum Site. To do so, the City first executed a Memorandum of Agreement (MOA) in March 2010. The License Agreement will be executed following ROD. The City has stated that it is not aware of any issues from the DHHL, that the Navy has cleaned the site, and that there are no limitations on the proposed use of the site. If any hazardous materials are found during construction, the DHHL is required to clean the site per the agreements. The PMOC has recommended that the License Agreement be provided to the FTA and PMOC for review prior to execution.
- The System Safety and Security Program Standards (SSPPS) is an important part of HDOT's comprehensive safety and security assessment. Each of the rail fixed guideway systems covered under this Program (currently the Honolulu High Capacity Transit Corridor Project) is required to develop a System Safety Program Plan and System Security Program Plan that formalizes the safety and security duties and responsibilities of the transit organization and ensures a process for identifying and correcting safety and security hazards. The City will be assisting the State Oversight Agency (SOA) with procuring a consultant to develop the SSPPS in early 2011. It is the PMOC's professional opinion that the schedule to procure a consultant and for the consultant to develop the SSPPS could take up to a year. It is critical for the City and the SOA to begin the process immediately. The PMOC has requested a copy of the SOA's program schedule so the PMOC may be able to better assess the risk involved.
- The City has not performed a Quality Audit of the GEC I PE products. The GEC I consultant has performed a majority of the early PE design for the DB, DBOM and DBB contracts that the City has issued for bid or are in the process of issuing for bid. The Quality Manager is to begin an audit of the GEC I PE products in October 2010.

2.0 BODY OF REPORT

2.1 Grantee's Capabilities and Approach

2.1.1 Technical Capacity and Capability

The PMOC had previously identified "capacity" issues as key City and Project Management Consultant (PMC) management positions remained vacant or vacated due to retention challenges stemming from the project's geographic location and other related issues. While most of these positions are currently filled by City or PMC staff, there are still some vacancies. Although there is no set timetable for replacing the PMC with City staff, the City has begun developing a Staffing Plan and has begun to advertise city positions currently filled by the PMC. The need for PMC staff will diminish as the City fills key management positions. Until such time, it will be necessary for the City to continue supplementing its staff with PMC staff. It is the PMOC's professional opinion that a five-year timetable from the approval to enter PE in October 2009 is needed to provide enough lead time to perform the recruitment, selection and training for replacing the PMC with City staff. The PMOC believes that the resource demands associated with the PE and Final Design phases of a \$5 billion project require full time and concentrated attention and continuity within the Grantee's organization for smooth transition into future phases.

The PE Entry Readiness Report identified several key positions that the City needed to focus on filling prior to ROD:

- Chief Project Officer – filled by PMC
- Manager of Quality Assurance – filled by PMC
- Manager of Safety and Security – filled by PMC
- Manager of Real Estate – filled by PMC
- Chief Project Controls – filled by PMC
- Contracts Administrator – filled by City

The City has made an improvement in hiring additional staff needed for the project since the PE Entry Readiness Report. However, more work is needed to accomplish the required staffing levels anticipated by the City. The City has 128 positions budgeted for FY 2012, including all current positions. Of the 128 positions budgeted, the City has currently filled 35 full time positions. It is expected that the transition from current to proposed staff size and composition would occur over the years of 2011 to 2013. It is anticipated that the 2013 staffing pattern would remain applicable for several years thereafter. The PMC currently has filled 22 of 25 positions, and the remaining positions should be filled by early 2011. The PMOC does not see any further staffing requirements for the PMC. It is the PMOC's professional opinion that the 35 current City positions and the 22 current PMC positions are adequate for the PE phase. More analysis will be provided when the PMOC completes the Technical Capacity and Capability review for FD, which is anticipated by January 2011.

The City is also in the process of finalizing an RFP for Real Estate Professional Services by the end of 2010, which will enhance the Technical Capacity and Capability of the Manager of Real Estate.

The City is actively recruiting the following staff (target start date in parentheses):

- Electrical Engineer III (November 2010)
- Planner VI “Financial and Grants Management” (November 2010)
- Contracts Management Project Controls Specialist (November 2010)
- Records Management Analyst II (December 2010)
- Asset Manager (December 2010)
- Electrical Engineer IV (December 2010)
- Civil Engineer VI “Senior Structural” (December 2010)
- Civil Engineer III “Maintenance and Storage Facility” (December 2010)
- Mechanical Engineer III (January 2011)
- Utilities Engineer (TBD)

The City has recently added the following staff (start date in parentheses):

- Human Resources Specialist V (September 1, 2010)
- Information Specialist III (September 3, 2010)
- Right of Way Coordinator IV (September 7, 2010)
- Departmental Staff Executive Assistant (October 7, 2010)

The PMC has recently added the following staff (start date in parentheses):

- Chief Public Information Officer (September 1, 2010)

The PMC is actively recruiting the following staff (target start date in parentheses):

- Engineering Manager (October 2010)
- Senior Cost Controls Analyst (TBD)

The City has reached a tentative agreement for a proposed lease on the 23rd floor of their building, which would provide for an additional 17,000 square feet of office space. The City, PMC, and a portion of the GEC staff will continue to be co-located and will utilize the additional office space. The tentative agreement reached is being examined by Corporation Council, and the move-in date is scheduled for December 1, 2010. The 23rd floor only provides enough space for approximately 65 personnel. It is the PMOC’s professional opinion that the additional floor will provide sufficient space too effectively and efficiently progress the project during the advanced PE and Final Design phases of the project. However, additional office space may be needed as the project advances into full construction and start-up due to the staffing expectations for the project. It is anticipated that the cost of the additional office space will be included in the City’s bottom-up cost estimate.

It is the PMOC’s professional opinion that the Project organization, staffing, and management approach provides the technical capability to support the City’s initial implementation of the project during PE. However, significant technical capacity issues remain as several key City management positions remain filled by PMC employees. The PMOC has recommended that the City identify additional key positions (other than those identified in the PE Entry Readiness Report and listed above) that should be filled by City employees. These positions should be identified in the Staffing Plan and should be a priority for recruitment. The PMOC will review

the key positions identified by the City when the updated Staffing Plan is made available. In addition, the City must complete development of the procedures necessary to properly manage this project before any consideration for advancement to Final Design should be considered.

2.1.2 Project Controls for Scope, Quality, Schedule, Cost, Risk and Safety

System Safety and Security

- The State of Hawaii has established Executive Order No. 10-05 effective April 6, 2010, designating the State Department of Transportation (HDOT) as the State of Hawaii Rail Fixed Guideway Oversight Agency.
- Revision 2.0 of the Safety and Security Management Plan (SSMP) and Revision 0 of the Safety and Security Certification Plan (SSCP) were submitted to the PMOC for review on April 5, 2010. The PMOC reviewed and provided comments to the City on April 28, 2010. A conference call was held with the City on May 14, 2010 to provide them with further clarification to the PMOC's comments provided. The intent of the PMOC comments was to assist the City with updating the documents prior to Final Design. An update of the SSMP is anticipated in October 2010.
- The PMOC intends to hold a safety and security workshop that could include representatives from FTA Region IX as well as FTA Headquarters. The tentative timeframe for the workshop is March 2011.
- The System Safety and Security Program Standards (SSPPS) is an important part of HDOT's comprehensive safety and security assessment. Each of the rail fixed guideway systems covered under this Program (currently the Honolulu High Capacity Transit Corridor Project) is required to develop a System Safety Program Plan and System Security Program Plan that formalizes the safety and security duties and responsibilities of the transit organization and ensures a process for identifying and correcting safety and security hazards. The City will be assisting the State Oversight Agency (SOA) with procuring a consultant to develop the SSPPS in early 2011. It is the PMOC's professional opinion that the schedule to procure a consultant and for the consultant to develop the SSPPS could take up to a year. It is critical for the City and the SOA to begin the process immediately. The PMOC has requested a copy of the SOA's program schedule so the PMOC may be able to better assess the risk involved.

Quality

- The City has not performed a Quality Audit of the GEC I PE products. The GEC I consultant has performed a majority of the early PE design for the DB, DBOM and DBB contracts that the City has issued for bid or are in the process of issuing for bid. The PMOC strongly recommended that the project Quality Assurance Manager perform a Quality Audit before the City issues NTP for the GEC II contract. The City agreed and will perform a Quality Audit of the GEC I PE products beginning in October 2010.

2.1.3 Compliance with Applicable Statutes, Regulations, Guidance and FTA Agreements

National Environmental Policy Act (NEPA)

- The Notice of Availability of the Final Environmental Impact Statement (FEIS) was published in the Federal Register on June 25, 2010. The comment period was extended to August 26, 2010.
- At this time, the date for issuance of an ROD cannot be determined.

Letters of No Prejudice (LONP)

- The City is still developing an LONP approach for the Project. In a December 1, 2009 letter to the City, the FTA clarified its policies and procedures related to LONPs. The letter states, “After completion of NEPA, FTA will consider LONPs for activities not covered by automatic pre-award authority on a case by case basis. Absent of pre-award authority or an LONP, no project cost can be incurred and be eligible for reimbursement or as local matching for any portion of the entire 20 mile alignment.”
- The most critical LONP that will be requested by the City is for the WOFH DB Project. Kiewit’s approved schedule indicates construction starting in the fall of 2010. This did not occur. Based on the LONP checklist the City will need a ROD, updated cost estimate, updated schedule, Risk Assessment, Risk and Contingency Management Plan, and Financial Management Plan before an LONP could be considered by the FTA. The FTA will consider LONPs for activities not covered by automatic pre-award authority on a case-by-case basis following completion of the NEPA process.

2.2 Project Scope

The Project is a 20-mile fixed guideway rail system along Oahu’s south shore between East Kapolei and Ala Moana Center. This Project is based on the Airport Alignment, which currently includes 21 stations. The alignment is elevated, except for a 0.5-mile at-grade portion at the Leeward Community College Station. The Project is planned to be delivered in four guideway segments.

- Segment I (West Oahu/Farrington Highway) – East Kapolei to Pearl Highlands (6 miles/6 stations)
- Segment II (Kamehameha Highway) – Pearl Highlands to Aloha Stadium (4 miles/3 stations)
- Segment III (Airport) – Aloha Stadium to Middle Street (5 miles/3 stations)
- Segment IV (City Center) – Middle Street to Ala Moana Center (5 miles/9 stations)

The alignment will average a total of 97,500 weekday boardings at the Revenue Operations Date in the year 2019 and 116,300 weekday boardings in the year 2030. It will provide two significant areas with potential for Transit Oriented Development, one near the Airport and one in the surrounding industrial areas. It is anticipated that the initial fleet will include 76 “light metro” rail vehicles.

2.2.1 Status of Design/Construction Documents

The City has submitted substantial technical information related to their completion of PE activities, as identified in Appendix C (PE Status by Contract). The PMOC continues to review all items and will present disposition of the definition of the scope of the project through PE in the “Project Scope Review” report, which is targeted for submission to FTA in December 2010.

The City held a Value Engineering Workshop the week of April 19-23, 2010, which the PMOC attended as an observer. The focus of the workshop was originally to include the Airport Segment Guideway and Utilities, City Center Segment Guideway and Utilities, and station packages. However, the City has subsequently determined that the workshop will only focus on the station packages. The objective of the VE workshop was to provide value engineering for six stations along the alignment – West Loch, Pearl Highlands, Aloha Stadium, Kalihi, Downtown, and Ala Moana Stations, representing elevated stations with and without concourses, direct access stations, and unique stations. As part of VE, the team was expected to consider not just ways of cutting costs, but also ways to reduce project risks, enhance operations, and bring to light any improvement opportunities that may exist.

Through the DB procurement, the City allows for submittal of Alternate Technical Concepts for the contractors.

The final VE Report for Stations and the Alternative Technical Concepts (ATC) Report from the DB proposals were provided to the PMOC in October 2010. This included a list of the VE recommendations that the City intends to implement. The PMOC is in the process of reviewing the final VE report to ensure that the purpose and objectives were met, the findings are adequately summarized, and an action plan has been developed. The table below presents the summary of VE results provided by the City.

Source	No. of Proposals Received	Estimated Value (M)	No. of Proposals Accepted	Estimated Value (M)
VE Workshop for Stations	30	\$318.5	26	\$104.1
ATC Proposals – WOFH DB Contract	29	\$85.4	13	\$60.5
ATC Proposals – KH DB Contract	16	\$29.0	7	\$18.3
ATC Proposals – MSF DB Contract	11	\$16.1	5	\$2.7
ATC Proposals – CSC DBOM Contract	41	\$35.6	15	\$15.5
TOTAL	127	\$484.6	66	\$201.1

Although a final decision will not be made in the near term, the City is now considering the use of DB for the remaining two line segments. If they do decide to utilize Design-Bid-Build (DBB) method, the City recognizes they will be required to be completed Value Engineering for these segments as well.

2.2.2 Status of Third-Party Agreements

The following table provides the status of Third Party Agreements for the project:

Agreement	Completion Date	Segment/ Contract	Status
University of Hawaii Master Agreement	Pending	I, II	UH Reviewing
Leeward Community College Sub-agreement	Pending	I	UH Reviewing
Department of Education Master Agreement (Waipahu High School)	Pending	I	DOE Reviewing
Department of Education Consent to Construct	Pending	I	DOE Reviewing
DHHL Master Agreement (Drum Site)	10-Mar-10	I/MSF	Executed
Department of Land and Natural Resources Executive Order Request for WOFH	Pending	I	Request sent to DLNR but agency will not review until after ROD
Department of Land and Natural Resources Consent to Construct for WOFH	Pending	I	Request sent to DLNR but agency will not review until after ROD
Easement Request for Navy Property	Pending	MSF	Navy is processing request
HDOT Master Agreement -- Segment I	Pending	I	Wording of agreement accepted by HDOT and City. Exhibits being prepared to finalize agreement for acceptance.
Department of Hawaiian Homelands (DHHL) License Agreement	Pending	I/MSF	Draft in progress

The following table provides a summary and status of the Utilities Engineering Services Agreements for the Project:

Utility	West Oahu/Farrington Highway DB Contract	Kamehameha Highway DB Contract
AT&T Corporation	Purchasing waiting for outstanding certificates from utility	Engineering cost requested
Chevron Products Company	Complete	Engineering cost requested
Hawaiian Telcom, Inc.	Complete	Engineering cost requested
Hawaiian Electric Company, Inc	Compensation through agreement with GEC	Cost Received from utility
Oceanic Time Warner Cable	Complete	Engineering cost requested
Pacific LightNet Inc.	Complete	Engineering cost requested
Sandwich Isle Communications Inc.	Complete	Engineering cost requested
The Gas Company	Complete	Cost Received from utility
TW Telecom	Complete	Cost Received from utility
Tesoro Hawaiian Corporation	Request cancelled since utility has no impacts on this contract	Engineering cost requested

2.2.3 Delivery Method

Appendix B provides the status of the various design and construction contracts associated with this Project. The following is a list of contracts, delivery methods and contract packages anticipated for the project (number in parentheses indicates number of anticipated contracts if more than one):

- Professional Services
 - Project Management Consultant (PMC)
 - General Engineering Consultant (GEC)
 - Legal Services
 - Leadership in Energy and Environmental Design (LEED) Commissioning

- Insurance Consulting for Owner Controlled Insurance Program
- Drilled Shaft Load Testing
- Real estate support consultant
- Design and Construction Services
 - Guideway & Utilities Design (2)
 - Stations Design (8)
 - Design-bid-build (DBB) Construction Engineering Inspection (5-7)
- Construction and Procurement Contracts
 - 3 Design-Build Contracts – Guideway (2) and MSF
 - Design-Bid-Build Contracts
 - Stations (8) – 1-3 stations each contract
 - Utility Relocation (2)
 - Guideway Construction (2)
 - System-wide Landscaping
 - Vehicle/Core Systems Design-Build-Operate-Maintain (DBOM)
 - Elevator/Escalator

In accordance with the Contract Packaging Plan developed by the City, construction of the project guideway is to be implemented in four segments. A summary of the Contract Packaging Plan for PE is currently included in the PMP as the project delivery approach for the Project. The four guideway segments and method of delivery identified are:

- Segment I – East Kapolei to Pearl Highlands – DB
- Segment II – Pearl Highlands to Aloha Stadium – DB
- Segment III – Aloha Stadium to Middle Street Station – DBB
- Segment IV – Middle Street Station to Ala Moana Center – DBB

The DB approach is being planned to advance the project schedule in order to minimize escalation costs and start construction of the initial portion of the project while the remainder of the project proceeds through the DBB process. Work on these early contracts (Segments I & II, Maintenance and Storage Facility and Core Systems) is planned to be initiated after the ROD but ahead of the FFGA, utilizing excise tax funding. However, as noted above, any design activities beyond PE or construction activities not covered by automatic pre-award authority would require an LONP, which would be considered on a case-by-case basis. Also as noted previously, Segment III and IV are currently planned to be constructed using DBB methodology. However, the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

2.2.4 Vehicle Status

Vehicle procurement is included in the Core Systems DBOM Contract, the status of which is discussed in Appendix B.

The current assumptions for the vehicles include a total active rail car fleet of 76 “light metro” railcars. The railcar being proposed is an automated light metro car, similar to railcars currently in operation in Vancouver, Copenhagen, and Oslo, but not in the United States. The railcar would have three doors per side and a length of approximately 60 feet. Vehicles could run in

two-, three-, or four-railcar trains. Following is a summary of the anticipated vehicle characteristics (subject to change based on proposals that will be received from DBOM contractors):

- 76 light metro vehicles (identified as heavy rail in SCC workbook)
- Standard gauge, steel wheel on steel rail
- Fully automated, manual operation possible (hostler panel)
- Nominal vehicle dimensions:
 - Length: 60 feet
 - Width: 10 feet
 - Height: Up to 13.3 feet
 - Floor Height: 3.77 feet above top of rail (at entry)
- Nominal-Passenger Capacity: 190 per vehicle (AW2 load)
- Electric traction via third rail, nominal 750V direct current supply, all axles powered
- Semi-permanently coupled, bi-directional trainsets
- Wide gangways between end and middle cars
- 2 to 3 double passenger plug doors per side (per car)
- Manual crew doors with steps
- Dynamic / regenerative braking
- Alternating current propulsion
- 30+ year design life

2.3 Project Management Plan and Sub-Plans

The following table presents the status of each City-provided management deliverable. The “Date of Current Revision” column indicate management deliverables that have been prepared prior to or during PE per the requirement of the PE approval letter. The “Anticipated Date for Next DRAFT Submission” indicates the target date for submission of a DRAFT update of each deliverable to the PMOC for review. The “Anticipated Date for Final Document to Support FD Request” indicates the target date for submission of a final document, with no additional changes expected prior to approval to enter Final Design.

Management Deliverable	Current Revision No.	Date of Current Revision	Anticipated Date for Next DRAFT Submission	Anticipated Date for Final Document to Support FD Request	Notes
Project Management Plan (PMP)	3	16-Feb-10	19-Nov-10	Jan-11	Review comments for Rev 3 provided 28-Apr-10
Quality Management Plan (QMP)	1	17-Aug-10	29-Oct-10	Jan-11	
Real Estate Acquisition Management Plan (RAMP)	3	15-Oct-09	17-Dec-10	Feb-11	DRAFT of Rev 4 will be submitted once date for ROD is targeted
Bus Fleet Management Plan (BFMP)	0	Jun-10	29-Oct-10	Feb-11	Review comments for Rev 0 provided in Aug-10
Rail Fleet Management Plan (RFMP)	0	Apr-09	28-Jan-11	Feb-11	Update will be based on information from Core Systems Contractor
Safety and Security Management Plan (SSMP)	2	01-Apr-10	29-Oct-10	Mar-11	Review comments for Rev 2 provided 28-Apr-10
Safety and Security Certification Plan (SSCP)	0	Feb-10	29-Oct-10	Mar-11	Review comments for Rev 0 provided 28-Apr-10
System Safety Program Plan	-	-	TBD	TBD	Will be prepared by Core Systems Contractor
System Security & Emergency Preparedness Plan	-	-	TBD	TBD	Will be prepared by Core Systems Contractor
Configuration Management Plan (CMP)	0	30-Apr-10	15-Oct-10	Jan-11	Review comments for Rev 0 provided in Aug-10

2.4 Project Schedule Status

The current MPS (data date of August 27 2010) indicates issuance of a ROD on December 8, 2010 and approval to enter Final Design on May 31, 2011. The City must develop a Master Project Schedule (MPS) that reflects realistic dates for all key milestones identified in the FTA Roadmap for Final Design. The City should also accurately portray any impacts to the DB contract that has been awarded or the three DB contracts that are under procurement.

The PMOC does not have confidence to report on any target dates identified in the current MPS as they have all slipped from their baseline dates as shown in the table below. It is the PMOC's opinion that the current MPS does not contain sufficient detail and logic to accurately portray the City's planning efforts to execute the program within the latest budget estimate.

Activity ID	Delivery Method	Milestone Description	Finish Date		Variance (Days)
			PE Entry Baseline	MPS (Data Date 27-Aug-10)	
D250	N/A	FTA Approve Entry into Final Design	10-Aug-10	28-Jun-11	(322)
F270	N/A	FTA Award Full Funding Grant Agreement	11-Sep-10	29-Jul-12	(687)
I997	DB	Open Waipahu to Leeward Section	14-Dec-12	24-Dec-13	(375)
M999	DB	Maintenance Service Facility	01-Oct-13	10-Feb-15	(497)
I998	DB	Open East Kapolei to Leeward CC Section	31-Jul-14	12-Aug-15	(377)
I999	DB	Open Leeward CC – Pearl Highlands Section	27-Apr-15	8-May-16	(377)
J999	DB	Open Kamehameha Section	14-Sep-16	31-Mar-17	(198)
Z999	DBB	Open Airport Section	31-Oct-17	08-Sep-18	(312)
9999	DBB	Open to Ala Moana Center *** (ROD) ***	03-Mar-19	10-Jan-20	(313)

The PMOC understands the MPS remains in a dynamic state of development as the project refines in PE and Final Design; however, its current fundamental condition is not commensurate with control methods required to manage an awarded DB contract, or the multi-billion program as a whole.

The City should re-baseline the MPS and submit monthly progress updates against this baseline as part of their condition to enter the PE phase. The City has stated they could not revise the MPS due to not knowing when a ROD would be issued. During the PMOC October 2010 Progress Meeting, the PMOC re-emphasized the importance of maintaining a program schedule with up to date information. The PMOC recognizes such information may change as the Project progresses, but at a minimum, targets should be identified to track metrics for the Project.

The City indicated at the October 2010 Progress Meeting that they will be revising their MPS to reflect more realistic dates for all activities. It is anticipated that a draft of the revised MPS will be available for an “over the shoulder” review in November 2010. A revised baseline MPS is then anticipated to be provided to the PMOC in December 2010.

The following is a 90-day look ahead for important activities associated with the Project:

Period: November 2010 – January 2011		
Activity	Responsibility	Date
Cost Estimate Workshop	City, PMC, GEC and PMOC	November 2, 2010
Monthly Progress Meeting	City and PMOC	November 3, 2010
WOFH DB Contract Partnering Session	City, PMC, GEC and PMOC	November 4, 2010
Schedule Workshop	City, PMC, GEC and PMOC	November 4, 2010
GEC Risk Assessment Review	City, PMC, GEC and PMOC	November 5, 2010
GEC Risk Assessment Workshop	City, PMC, GEC and PMOC	November 30, 2010
Monthly Progress Meeting	City, PMC, GEC and PMOC	December 1, 2010
FTA Issues ROD	FTA	TBD

2.5 Project Cost Status

The Project Budget submitted with the City's request to enter PE is as follows:

Base Cost Estimate	\$3.838 billion
Total Contingency	\$1.219 billion (31.8% of Base Cost Estimate)
Finance Charges	\$0.290 billion
Total Project Cost	\$5.348 billion

Additional project costs include the following:

Pre-PE Expenditures	\$0.082 billion
Financing Charges	\$0.103 billion (post-revenue operations)
Grand Total Project Cost	\$5.532 billion

Total Expenditures to Date \$0.110 billion (August 2010) (excludes pre-PE costs)

The City is preparing a bottoms-up cost estimate for the Project. The PMOC will provide an over the shoulder review of the draft bottoms-up cost estimate with the City in November 2010. The PMOC will provide their opinion and comments to the City during this over the shoulder review. A final bottoms-up cost estimate is then anticipated to be provided to the PMOC in December 2010.

2.5.1 Standard Cost Category (SCC)

The SCC Workbook, including Main and Inflation worksheets, is submitted as a separate electronic file. The City is in the process of preparing a detailed bottoms-up estimate. In addition, the PMOC recommends that the City perform quality assurance checks to verify scope inclusivity and escalation of SCC categories in accordance with the MPS. The cost estimate and Basis of Estimate should provide more justification and backup documentation supporting the quantification and assumptions for the "soft costs" and related General Conditions for the project.

2.5.2 Funding Sources

The following are the project capital revenue (funding) sources provided by the City during the May 2010 Progress Meeting:

General Excise Tax (GET)	\$3.698 billion
Section 5309	\$1.550 billion
Section 5307	\$0.300 billion
ARRA (Section 5307)	\$0.004 billion
Interest	\$0.011 billion
Total	\$5.563 billion

The City is hopeful that it will be able to reduce the need for Section 5307 funds through project development (i.e. refined Base Cost Estimate and revenue estimates during PE) and an aggressive bidding environment.

The GET surcharge receipts received to date are approximately \$536.0 million. Additional surcharge revenues are received approximately 30 days following the end of each quarter.

2.6 Project Risk

The PMOC completed a scope, schedule, and cost review in advance of completing a risk assessment of the Project as part of the evaluation of the Grantee's request to enter PE. A FINAL Spot Report was submitted in July 2009. The Spot Report included recommendations for cost and schedule contingency and identified key risks. However, this effort did not include development of risk management tools (e.g., Primary Mitigation Deliverables, Secondary Mitigation Activities, or a Risk and Contingency Management Plan). It is anticipated that the risk management tools will be developed in conjunction with an update of the risk assessment to support the City's request to enter Final Design.

2.7 Action Items

Item No.	Item	Responsible Party	Date Identified	Date Due	Date Completed	Status
1	Schedule Safety and Security Workshop	FIA/PMOC	4-Nov-09	Mar-11		Open
2	Schedule/Estimate workshop	PMOC	Jun-10	Nov-10		Open
3	Provide PE package for Airport	City	May-10	Oct-10	7-Oct-10	Closed
4	Provide escalation methodology	City	May-10	Sep-10	7-Oct-10	Closed
5	Draft Environmental Mitigation Monitoring Plan	City	Jul-10	Oct-10		Open
6	City to coordinate meeting with PMOC and State Oversight Agency	City	Jul-10	Oct-10		Open
7	City to provide the PMOC with a list of CSC evaluation committee and technical committee members.	City	Aug-10	Aug-10	Sep-10	Closed
8	VE Final Report for Stations/ATC for DB contracts	City	Aug-10	Sept-10	7-Oct-10	Closed
9	Provide sample Buy America Pre-Award Audit Report	PMOC	Oct-10	Oct-10		Open
10	Complete Quality Audit of GE C I PE Products	City	Oct-10	Oct-10		Open
11	Provide PMOC with State Oversight Agency Program Schedule	City	Oct-10	Oct-10		Open
12	Provide PMOC with QA Surveillance Audits	City	Oct-10	Oct-10		Open
13	Provide Sample FFGA Roadmap	PMOC	Oct-10	Oct-10		Open
14	Provide PMOC with Real Estate Professional Services Request For Proposal	City	Oct-10	Oct-10		Open

APPENDICES

Appendix A: Acronym List

ATC	▪ Alternative Technical Concept
BFMP	▪ Bus Fleet Management Plan
CSC	▪ Core Systems Contract
DB	▪ Design-Build
DBB	▪ Design-Bid-Build
DBOM	▪ Design-Build-Operate-Maintain
DHHL	▪ Department of Hawaiian Homelands
FD	▪ Final Design
FEIS	▪ Final Environmental Impact Statement
FFGA	▪ Full Funding Grant Agreement
FONSI	▪ Finding of No Significant Impact
FTA	▪ Federal Transit Administration
FY	▪ Fiscal Year
GEC	▪ General Engineering Consultant
GET	▪ General Excise Tax
HAR	▪ Hawaii Administrative Rules on Procurement
HDOT	▪ Hawaii Department of Transportation
HHCTC	▪ Honolulu High Capacity Transit Corridor Project
LCC	▪ Leeward Community College
LEED	▪ Leadership in Energy and Environmental Design (LEED)
LONP	▪ Letter of No Prejudice
MSF	▪ Maintenance and Storage Facility
NEPA	▪ National Environmental Policy Act
NOA	▪ Notice of Availability
NTP	▪ Notice to Proceed
PA	▪ Programmatic Agreement
PE	▪ Preliminary Engineering
PMOC	▪ Project Management Oversight Contractor
PMP	▪ Project Management Plan
PMC	▪ Project Management Consultant
QMP	▪ Quality Management Plan
RAMP	▪ Real Estate Acquisition and Management Plan
RFMP	▪ Rail Fleet Management Plan
RFP	▪ Request for Proposals
RFQ	▪ Request for Qualifications
ROD	▪ Record of Decision
ROD	▪ Revenue Operation Date
RPZ	▪ Runway Protection Zone
SOA	▪ State Oversight Agency
SSCP	▪ Safety and Security Certification Plan
SSEPP	▪ System Security and Emergency Preparedness Plan
SHPO	▪ State Historic Preservation Office
SSMP	▪ Safety and Security Management Plan
SSPP	▪ System Safety Program Plan
VE	▪ Value Engineering
WOFH	▪ West Oahu/Farrington Highway
YOE	▪ Year of Expenditure

Appendix B: Contract Status

The following sections provide the scope and status of the various contracts identified for this Project.

Project Management Consultant (PMC) Contract.

- Scope – The consultant will serve as a program manager in providing oversight of the PE, FD, and construction activities for all DB and DBB contracts.
- Status – The City awarded a contract to InfraConsult LLC in November 2009 to provide Project Management Support Services. The PMC Agreement is for five years with a Not-to-Exceed amount of \$36.7 million.

General Engineering Consultant (GEC I) Contract

- Scope – The City has contracted with Parsons Brinkerhoff (PB) to serve as the GEC in completing PE/EIS efforts for the Project. The scope of work for this contract includes PE for all Project components. For those items that will be constructed utilizing Design-Build (DB) methodology, the GEC was required to prepare contract documents that would be included in a two-step Best Value procurement package.
- Status – The City issued a NTP for the GEC I contract on August 27, 2007. The period of performance of the contract was August 2007 to March 2010. The contract could be extended through amendment. Four contract amendments have been issued to GEC I. (extending the period of performance to June 30, 2010) and authorizing total budget of \$115.9 million for period of August 27, 2010 to June 30, 2010.

The pre-PE costs for the GEC I contract were approximately \$88.6 million. The \$27.3 million balance covers the GEC I contract from approval to enter PE through June 30, 2010. The City will issue another contract amendment to extend the GEC I contract until December 31, 2010 and authorize another increase in the budget of \$18 million (\$3 million per for six months). The total contract value could increase to \$133.9 million if the full period of performance for amendment is needed.

General Engineering Consultant (GEC II) Contract

- Scope – The consultant will provide services related to elevated guideway engineering, systems engineering, rail station design, construction management oversight, procurement, contract administration, configuration control, claims support, scheduling, project financing and environmental planning. After the qualifications are evaluated and the top qualifier is selected, the City will develop the detailed scope of the contract. The GEC II Contract will include a ten year period of performance. The City expects to hire separate Construction Engineering and Inspection firms to provide field services for the DBB contracts.
- Status – The City has begun procurement of the General Engineering Consultant (GEC) contract (GEC II). Due to the length of time that had elapsed between submittal of proposals and the potential date for selection (October 2010), the City allowed the proposers to “refresh” their proposals. This allowed the consultants that submitted proposals an opportunity to provide the City with the most current staffing available rather than submitting substitution of personnel whose expertise and experience are

equivalent to that which would have been provided by the originally listed personnel. The City has ranked Parsons Brinkerhoff as the top rated firm during the procurement of the GEC II contract. Negotiations are underway.

Hawaii Department of Transportation (HDOT) Consultant

- Scope – HDOT does not have the staff necessary to complete reviews of DB plans and perform the necessary construction inspection of the four guideway segments. Therefore, the City has begun procurement on HDOT's behalf for a consultant to support HDOT with design review and construction inspection services. HDOT will manage the selected firm, but all related consultant costs will be paid from the project budget.
- Status – The City is negotiating with the top rated firm. The City has included the costs of the HDOT reviews in the original project budget. Since most of the guideway will be located along HDOT right-of-way, it is necessary for HDOT to perform permit reviews of the DB plans and perform the final inspections. Selection of a consultant is anticipated in October 2010.

Profession Real Estate Services Consultant

- Scope – Support project real estate staff with acquisition, relocation and property management.
- Status – The City is preparing an RFP document. It is anticipated that the RFP will be issued in October 2010 with selection targeted by the end of 2010.
- Issues or Concerns – It is the PMOC's professional opinion that this approach should provide the technical capacity to support the City's Right of Way (ROW) activities.

Owner Controlled Insurance Program (OCIP)

- Status – The City anticipates issuing an RFP for an Owner Controlled Insurance Program (OCIP). The city anticipates a two-step RFP process beginning in November 2010 following completion of a peer review of the RFP documents. The original procurement of an insurance consultant to help manage the OCIP was delayed due to protests. The City has resolved the protests and can now proceed with issuance of a new RFP. Selection is targeted to be complete by the end of 2010. No cost impact was realized as a result of the protest.

West Oahu/Farrington Highway (WOFH) DB Contract

- Scope – This contract includes the design and construction of a portion of the guideway alignment from the initial station at East Kapolei and continuing approximately 6.8 miles to a point just east of the planned Pearl Highlands station. The alignment runs along the east side of North South Road. This portion of the guideway is being identified as the West Oahu/Farrington Highway Design-Build Contract. The guideway is comprised mostly of a two-track aerial structure with a 0.3-mile portion of twin single-track guideways and a 0.3-mile section of guideway at grade.

As the alignment approaches Leeward Community College (LCC), the guideway alignment traverses from the median of Farrington Highway to the makai side of the highway where it transitions to an at-grade section. Once at grade, the entrance(s) to the Maintenance and Storage Facility (MSF) is (are) encountered. The Guideway crosses Ala

Ike Road at two locations, with the roadway passing under the guideway alignment in box-culverts. At the LCC Station, a station plaza area is planned to allow passengers to walk under the guideway to access either platform.

- Status – Kiewit Constructors was awarded a \$482,924,000 contract on November 18, 2009. Notice to Proceed (NTP) #1 was issued on December 1, 2009 to Kiewit. The maximum reimbursable amount under NTP #1 is \$27 million. NTP #1 is for approximately 90 days and the scope of work for Kiewit is limited to the elements of PE whose principal purpose is refinement and validation of information supporting the NEPA process. NTP #2, which authorizes all remaining PE activities, will be issued shortly following receipt of the Record of Decision (ROD). However, the City has begun issuing additional NTPs to supplement the early PE activities.

The City issued NTP #1A on March 11, 2010. NTP #1A authorizes \$25.8 million for PE activities to be completed. They then issued NTP #1B on March 23, 2010 authorizing interim design activities. NTP #1B authorizes \$21.2 million for added definitive and interim PE activities to be completed. The City has indicated that NTP #1A and NTP #1B would provide sufficient work for the contractor through approximately July 2010. The City issued NTP #1C to Kiewit on June 7, 2010 to authorize \$3.5 million for test and demonstration drilled shafts to complete the deep foundations interim design. Work authorized under NTP #1C is scheduled to begin on October 18, 2010 and is anticipated to be completed by January 31, 2011. However, Interim Design will continue after January 31, 2011 once the test and demonstration drilled shafts activity is completed.

NTPs 1, 1A, 1B & 1C are being performed concurrently. The City believes, and the PMOC concurs, that all work authorized under these NTPs is consistent with the permission the City received from FTA to enter PE. It is the PMOC's professional opinion that advanced PE activities may be completed by June/July 2011. This date could slip if a ROD is not issued by January/February 2011.

NTP #3 is to be issued for Final Design work activities, as defined by the City. NTP #4 is to be issued for construction activities.

The City will need to seek Letter(s) of No Prejudice for any work beyond the scope of NTP #2. The current MPS does not contain realistic dates for LONPs as discussed in Section 2.4 of this report.

The contractor has provided the City with the following Definitive Design Submittals: plan and profile; superstructure; utility relocation; maintenance of traffic; and roadway lighting. Once these submittals are approved, the contractor will begin preparing Interim Design submittals.

The City has received twenty "Contractor Request for Change" from Kiewit. The City has nine draft "Request for Change Drafts" in process. The City has submitted six "Request for Change" for Kiewit to review:

- (1) Directive Drawings, design Criteria & Standard Specifications.

- (2) Method Shaft Variance
 - (3) LCC Station Revisions
 - (4) HDOT Master Agreement.
 - (5) Floodplain mitigation in Waipahu and Waiawa areas
 - (6) Relocation of Trees
- Schedule – The City has approved the schedule submittal, and the PMOC has received a copy of the schedule electronic file approved by the City on May 20, 2010. The contractor is preparing a schedule analysis for NTP delays.
 - Cost
 - Original Contract Value – \$482,924,000
 - Current Contract Value – \$482,924,000
 - Authorized Costs for NTP #1, 1A, 1B & 1C – \$90,122,955
 - Expended to Date – \$60,291,581
 - % Expended – 11.5%
 - Approved Change Orders – \$0.00
 - Total Encumbrance (City) – \$520,846,930
 - Issues or Concerns
 - The executed agreement for the WOFH DB Contract calls for issuance of all four NTPs within 120 calendar days of the December 1, 2009 NTP #1 date. Since that requirement was not met, the City reviewed Kiewit’s schedule of milestones and the baseline schedule to determine whether there has been a schedule or a cost impact. The City officially approved Kiewit’s schedule on April 30, 2010. The City also formally responded on April 28, 2010 to Kiewit’s request for change resulting in delay of NTP 2, 3 and 4. In their response, the City provided revised dates for Kiewit to assess the impacts of delays in the issuance of those NTPs. Specifically, the revised dates provided by the City to be used in Kiewit’s assessment are as follows:
 - (1) NTP #2 – July 15, 2010
 - (2) NTP #3 – September 15, 2010
 - (3) NTP #4 – December 15, 2010

However, subsequent to the April 28, 2010 letter, the City sent a letter to Kiewit stating that NTPs #2, 3 and 4 would not occur until March 2011 and Kiewit should revise their schedule accordingly. The PMOC has strongly cautioned the City against providing unrealistic dates to the contractor that may be untenable given the requirements that must be met prior to issuance of any LONPs.

 - The City has indicated that the contractor’s preferred location for the precast yard is at Barber’s Point. However, Kiewit is considering alternatives pending timing and availability of property. No decision will be until late this year (closer to the anticipated ROD date).

Kamehameha Highway Guideway DB Contract

- Scope – The contractor will design and construct a portion of the guideway alignment from the initial station at East Pearl Highlands to a point just east of the planned Aloha Stadium Station, a distance of approximately 3.9 miles. This portion of the guideway is being identified as the Kamehameha Highway Design-Build Contract. The guideway is comprised of a two-track aerial structure.

- Status – The Kamehameha Highway Guideway was originally to be constructed using DBB, but the City decided to utilize DB to take advantage of the perceived favorable bid climate. RFP Part 1 was issued on November 18, 2009, with responses received on January 5, 2010. RFP Part 2 was issued on March 19, 2010. Technical and price proposals were due September 9, 2010. However, the due date was extended to October 7, 2010, with prices now valid until April 5, 2011. The City will make a selection in December 2010. The City has indicated that they will not award this contract until after receipt of a ROD. The contract is set up for multiple NTPs, if needed.

RFP Part 2 contains PE-level documents. The contractor will advance the drawings in the RFP Part 2 contract documents to the Definitive and Interim Design levels during the Advanced PE phase of the project.

- Cost – The budget for this contract is \$323.5 million.

- Schedule – The Kamehameha Guideway DB project is approximately 48 months in duration.

- Issues or Concerns
 - The PMOC received RFP Part 2 documents on April 8, 2010 for this contract and has begun a review.

Maintenance and Storage Facility DB Contract

- Scope – The contractor will design and construct the MSF to accommodate 80 revenue vehicles. The maximum capacity of the site is 100 revenue vehicles. The Shop Facility will include administrative and operational offices for the agency, including an Operations Control Center. The MSF will be designed and commissioned to achieve Leadership in Energy and Environmental Design (LEED) Green Building Rating System Silver Certification, and will operate in accordance with FTA Sustainable Maintenance and Operational Standards. The scope of the contract includes the procurement of all rail materials.

- Status – RFP Part 1 was issued on May 28, 2009. RFP Part 2 was issued on July 24, 2009. Technical and price proposals were received on February 17, 2010, with prices valid until August 16, 2010. The City issued a letter of intent to award the MSF contract to Kiewit/Kobayashi Joint Venture on June 24, 2010 in the amount of \$195 million. A letter of intent to award is not a contractual obligation and does not result in issuance of an NTP as would execution of a contract. The City's cost estimate was \$254 million. The price proposal expired on August 16, 2010, but the City sent a letter to Kiewit/Kobayashi

requesting an extension of their pricing until March 15, 2011. The City sent a letter to the FTA on September 30, 2010 indicating their intention to issue NTP #1 for preliminary design by November 1, 2010. It is the PMOC's professional opinion that the City should wait until after receipt of a ROD before issuing NTP #1. The City may experience similar delay issues as the WOFH DB Contract if NTP #1 is issued prior to ROD. The PMOC should review the MSF agreement and proposed multiple NTP dates to help ensure there will not be delay claim issues on the MSF contract. However, if the City elects to award any the MSF contract and issue an initial NTP prior to completion of the NEPA process, they must obtain FTA concurrence and ensure that it complies with the requirements identified in Federal Register, Volume 72, No. 12 dated January 19, 2007 for DB procurement.

RFP Part 2 contains PE-level documents. The contractor will advance the drawings in the RFP Part 2 contract documents to the Definitive and Interim Design levels during the Advanced PE phase of the project.

- Cost – The budget for this contract is \$254 million, of which approximately \$156 million is for MSF design and construction and the remainder, is for track material procurement.
- Issues or Concerns
 - The Memorandum of Agreement (MOA) has been executed with the DHHL or the Navy Drum Site. However, the City must sign a License Agreement with the DHHL prior to any construction beginning.
 - It is the PMOC's professional opinion that the City is following a similar path as the WOFH contract by issuing NTP prior to ROD. The City may experience similar delay issues as the WOFH contract is currently experiencing. The PMOC needs to review the MSF agreement and proposed multiple NTP dates to make sure the WOFH issues will not be repeated on the MSF contract.
 - If the City elects to award any the MSF contract and issue an initial NTP prior to completion of the NEPA process, they must ensure that it complies with the requirements identified in Federal Register, Volume 72, No. 12 dated January 19, 2007 for DB procurement.

Vehicle/Core Systems DBOM Contract (CSC)

- Scope – A Design-Build-Operate-Maintain (DBOM) contract is anticipated to be awarded by the City to more closely synchronize with ROD and will include the following:
 - Design and manufacture of vehicles
 - Design, manufacture, and installation of systems components including train control communications, traction power, Central Control and fare collection equipment
 - Operations and Maintenance.

The Operations and Maintenance contract will extend 5 years beyond the full build revenue date (2019), with an additional 5 year option. The Operations and Maintenance contractor will be responsible for Intermediate Operating Section Openings (6 sections including the demonstration section opening in 2012).

- Status – RFP Part 1 for the Vehicles/Core Systems Design-Build-Operate-Maintain Contract (CSC) was issued on April 8, 2009. RFP Part 2 was issued on August 17, 2009. Technical and price proposals were received on June 7, 2010, with price proposals valid until December 4, 2010. The City held a first meeting with each offeror during the week August 8, 2010 to address technical and quality components of their proposals. Informational meetings with the offerors were also held the week of September 20, 2010. The City is preparing a request for a Best and Final Offer. Selection will likely occur in December 2010. However, the City has indicated that they will not award this contract until after receipt of a ROD.
- Cost – The budget for this contract is \$650 million, including equipment and installation.
- Issues or Concerns
 - The PMOC received RFP Part 2 documents on May 12, 2010 for this contract and has begun a review.
 - The PMOC participated in a workshop on August 31-September 1, 2010 with the City, PMC and the GEC to discuss the CSC Terms and Conditions and obtain a general understanding of how the RFP Part II documents were developed. The City also provided a list of the evaluation committee and technical committee to better assess the City's approval process. The PMOC will schedule another workshop after the City selects the contractor to discuss the basis of the awarded contract and any follow up questions the PMOC may have once it reviews the final contract including any addendums issued by the City and Alternate Technical Concepts submitted by the contractor. This will assist the PMOC with assessing the Technical Capacity and Capability of the Grantee, Scope, Schedule and Cost reviews as it prepares to receive approval from the FTA to enter FD.

Airport Guideway & Utility Relocation DBB Contract

- Scope – The project delivery method for the guideway and utility relocations will be DBB. The City anticipates awarding separate construction contracts for the utility relocation and guideway. This segment extends from Aloha Stadium Station to Lagoon Drive Station.

It should be noted that the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

- Status – This segment is in the PE phase. The PE drawings are under final review by the City, and the GEC is completing quantity take-offs. Utility relocation and guideway construction are anticipated to begin in late 2011 and early 2012, respectively.
- Cost – The estimated contract value will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time.

City Center Guideway & Utility Relocation DBB Contract

- Scope – The project delivery method for the guideway and utility relocations will be DBB. The City anticipates awarding separate construction contracts for the utility relocation and guideway. This segment extends from Lagoon Drive Station to Ala Moana Center Station.

It should be noted that the City is now considering the use of DB methodology for these segments. A final determination will not be made until later in the Project.

- Status – This segment is in the PE phase. The PE drawings are under final review by the City, and the GEC is completing quantity take-offs. Utility relocation and guideway construction are anticipated to begin in late 2011 and early 2012, respectively.
- Cost – The estimated contract value will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time. The City is in the process of finalizing third party agreements for utility relocations.

Station Packages

- Scope – All stations will be implemented using DBB. The City has developed station group packages for design, and it intends to issue construction contracts based on those station packages. Following are the packages that the City is currently considering:
 - The West Oahu Station Group, consisting of three stations: East Kapolei, UH-West Oahu and Hoopili.
 - The Farrington Station Group, consisting of three stations: West Loch, Waipahu Transit Center and Leeward Community College.
 - The Pearl Highlands Station, H2 Ramps and Garage Group, consisting of one station at Pearl Highlands, new ramps from H2 to access the station and a multi-level parking structure.
 - The Kamehameha Station Group, consisting of two stations: Pearlridge and Aloha Stadium.
 - The Airport Station Group, consisting of three stations: Pearl Harbor Navy Base, Honolulu International Airport, and Lagoon Drive.
 - The Dillingham Station Group DBB contract, consisting of three stations: Middle Street Transit Center, Kalihi and Kapalama.
 - The City Center Group, consisting of three stations: Iwilei, Chinatown and Downtown.
 - The Kakaako Station Group, consisting of three stations: Civic Center, Kakaako and Ala Moana Center
- Status – The Request for Qualifications (RFQ) for Farrington Stations Design was released on October 13, 2009, with responses received in early January 2010. Design is procured in a one-step RFQ process. HDR/HPE, Inc has been selected and has reached

an agreement with the City on the scope/budget for the project. The City anticipates issuing an NTP in December 2010.

The RFQ for the West Oahu Station Group was released January 13, 2010, with responses received on February 17, 2010. Qualifications are being evaluated by the City for advanced PE on the West Oahu Station Group. Ranking should be approved and negotiations to commence in September 2010. To better match anticipated cost with systems needs alternate packaging is being evaluated to separate H2 ramps, station and transit terminal for the Pearl Highlands Station and Transit Terminal is in process... Alternative contract delivery options are also under consideration.

The RFQ for the Kamehameha Station Group design is expected to be released in November 2010. Qualifications will be evaluated by the City for advanced PE for the Kamehameha Station Group. Rankings should be approved and negotiations to commence in the early 2011.

- Cost
 - The estimated contract value for each station design package is \$2 million.
- Issues or Concerns
 - None identified at this time.

Elevators and Escalators

- Scope – The City intends to issue a DB contract to furnish, install, test, and commission all elevator and escalator equipment.
- Status – The City anticipates procuring this contract in 2011. Limited PE has been completed for this package.
- Schedule – Following are the key contract dates:
 - Prepare Procurement Packages – January 2011
 - Bid-Award Elevator Packages – May 2011
 - Elevator & Escalators Construction – January 2012
- Cost – The estimated contract values will be available when the bottoms-up estimate is complete.
- Issues or Concerns
 - None identified at this time.

Appendix C: PE Status by Contract

The following table presents the status of PE activities for each major contract. The PMOC will continue to review this contract information and will present a disposition of PE completion in the "Project Scope Review" report, which is targeted for submission to FTA in January 2011.

Contract	Segment	PE Status	Notes
West Oahu Farrington Highway Guideway DB Contract	Segment I – East Kapolei to Pearl Highlands Length: 6 miles	GEC I prepared contract documents for DB procurement, including 30% plans. Advanced PE continuing by Kiewit under NTP #1, 1A, 1B & 1C. Kiewit submitted following Definitive Design Submittals: plan and profile; superstructure; utility relocation; maintenance of traffic; and roadway lighting. Geotechnical investigations ongoing by Kiewit. Method (3) and Load Test Shafts (8) to support Definitive Design submittals to start on October 18, 2010. Kiewit will begin preparing Interim Design submittals once Definitive Design submittals are approved.	
Kamehameha Highway Guideway DB Contract (Segment II – Pearl Highlands to Aloha Stadium, 6 miles)	Segment II – Pearl Highlands to Aloha Stadium Length: 4 miles	GEC I prepared contract documents for DB procurement, including 30% plans. Once selection occurs, contractor will advance plans to Definitive and Interim Design levels under limited NTPs. GEC I prepared 30% plans for segment.	
Airport Guideway & Utilities DBB Contract (Segment III – Aloha Stadium to Middle Street Station, 4 miles)	Segment III – Aloha Stadium to Middle Street Length: 5 miles	Advanced PE will be performed with City's selection of design consultant in 2011.	
City Center Guideway & Utilities DBB Contract (Segment IV – Middle Street Station to Ala Moana, 4 miles)	Segment IV – Middle Street to Ala Moana Center Length: 5 miles	GEC I prepared 30% plans for segment. Advanced PE will be performed with City's selection of design consultant in 2011.	

Contract	Segment	PE Status	Notes
Maintenance & Storage Facility DB Contract	Segment I	<p>GEC I prepared contract documents for DB procurement, including 30% plans.</p> <p>Once selection occurs, contractor will advance plans to Definitive and Interim Design levels under limited NTPs.</p> <p>The City intends to issue NTP #1 in November 2010 allowing mobilization, insurance, plans and procedures and Definitive Design.</p>	
WOFH Station Group (3) DBB Contract	Segment I	<p>GEC I prepared 20% plans for segment.</p> <p>City will select design consultants to continue design at the end of 2010.</p>	
Farrington Station Group (3) DBB Contract	Segment I	<p>GEC I prepared 20% plans for segment.</p> <p>City will select design consultants to continue design at the end in 2011.</p>	
Kamehameha Station Group (3)	Segment II	<p>GEC I prepared 20% plans for segment.</p> <p>City will select design consultants to continue design at the end in 2011.</p>	
Airport Station Group (3)	Segment III	<p>GEC I prepared 20% plans for segment.</p> <p>City will select design consultants to continue design at the end in 2011.</p>	
Dillingham Station Group (3)	Segment IV	<p>GEC I prepared 20% plans for segment.</p> <p>City will select design consultants to continue design at the end in 2011.</p>	
City Center Station Group (2)	Segment IV	<p>GEC I prepared 20% plans for segment.</p> <p>City will select design consultants to continue design at the end in 2011.</p>	
Kakaako Station Group (3)	Segment IV	<p>GEC I prepared 20% plans for segment.</p> <p>City will select design consultants to continue design at the end in 2011.</p>	

Contract	Segment	PE Status	Notes
Pearl Highland Station (1), H2 Ramps and Multiple Parking Structure	Segment I	<p>GEC I prepared 20% plans for segment.</p> <p>City is repackaging to include the Pearl Highland Station in the KH Station Group and separate H2 Ramps and Multiple Parking Structure for separate contract.</p> <p>City will select design consultants to continue design at the end in 2011.</p>	
Core Systems Contract DBOM Contract	Segment I-IV	<p>GEC I prepared contract documents for DBOM procurement, including 15-20% plans.</p> <p>Contractor will advance the conceptual drawings and performance specifications in the RFP Part 2 contract documents to the Definitive and Interim Design levels during the early portion of contract.</p> <p>Selection of a contractor is anticipated in December 2010.</p>	<p>PMOC is of the opinion that various levels of detail, which include basic conceptual drawings with limited performance criteria, have been completed by the GEC. This information must be augmented by technical proposal from the selected contractor, which should be made available to the PMOC in December 2010 or January 2011.</p>

Note: PMOC continues to review contract information and will present disposition of PE completion in the "Project Scope Review" report, which is targeted for submission to FTA in January 2011.

Appendix D: Bidding Schedule

Contract	RFP - DBB		RFP Part I - DB		RFP Part II - DB			LONP Request			NTPs			Contract Amount
	Advertise	Bid Opening	Advertise	Qualif.	Issued	Select	Draft	Final	Granted by ETA	NTP	Date	Description	NTP Amount	
West Oahu Farrington Highway Guideway (WOFH) Design Build (DB) Contract	N/A	N/A	04-Feb-09	—	03-Apr-09	01-Dec-09	—	—	—	1	01-Dec-09	PE to support to FEIS	\$39.7M	
										1A	15-Mar-10	Geotech	\$4.7M	
										1B	23-Mar-10	Interim Design (PE)	\$21.1M	
										1C	26-May-10	Test Shafts	\$3.5M	
Kamehameha Highway Guideway (KHG) DB Contract	N/A	N/A	18-Nov-09	05-Jan-10	19-Mar-10	27-Oct-10	—	—	—	2	TBD	FD	—	
										3	TBD	Construction	—	
										1	05-Jan-11	PE	—	
										2	08-Aug-11	FD	—	
Maintenance and Storage Facility (MSF) DB Contract	N/A	N/A	28-May-09	—	24-Jul-09	24-Jun-10	—	—	—	3	28-Nov-11	Construction	\$195.0M ¹	
Vehicle/ Core Systems Design Build Operate Maintain (DBOM) Contract (CSC)	N/A	N/A	08-Apr-09	—	17-Aug-09	—	—	—	—	1	02-Mar-11	—	—	
Airport Guideway & Utility Relocation DBB Contract	01-Aug-12	28-Nov-12	N/A	N/A	N/A	N/A	—	—	—	—	29-Nov-12	—	—	
City Center Guideway & Utility Relocation DBB Contract	07-Jul-13	03-Nov-13	N/A	N/A	N/A	N/A	—	—	—	—	06-Dec-13	—	—	
West Oahu Station Group (3) Construction DBB Contract	02-Jun-12	29-Sep-12	N/A	N/A	N/A	N/A	—	—	—	—	27-Mar-13	—	—	
Farrington Station Group (3) Construction DBB Contract	11-Feb-12	09-Jun-12	N/A	N/A	N/A	N/A	—	—	—	—	16-Sep-12	—	—	
Pearl Highlands Station (1), H2 Ramps and Multiple Parking Structure DBB Contract	22-Jun-12	19-Sep-12	N/A	N/A	N/A	N/A	—	—	—	—	20-Sep-12	—	—	
Kaohahameha Station Group (2) DBB Contract	21-Nov-12	20-Mar-13	N/A	N/A	N/A	N/A	—	—	—	—	21-Mar-13	—	—	
Airport Station Group (3) DBB Contract	20-Sep-14	17-Jan-15	N/A	N/A	N/A	N/A	—	—	—	—	12-Jun-15	—	—	
Dillingham Station Group (3) DBB Contract	26-Aug-15	23-Dec-15	N/A	N/A	N/A	N/A	—	—	—	—	24-Dec-15	—	—	
City Center Station Group (3) DBB Contract	26-Aug-15	23-Dec-15	N/A	N/A	N/A	N/A	—	—	—	—	24-Dec-15	—	—	
Kakaako Station Group (3) DBB Contract	26-Aug-15	23-Dec-15	N/A	N/A	N/A	N/A	—	—	—	—	24-Dec-15	—	—	
Elevators/ Escalators DB Contract	31-Jan-11		N/A	N/A	N/A	N/A	—	—	—	—	08-Jul-12	—	—	
Plants and Shrubs (Owner Furnished) DBB Contract	27-Nov-13	27-Mar-14	N/A	N/A	N/A	N/A	—	—	—	—	01-Apr-14	—	—	
Fare Collection (Owner Furnished) DBB Contract	—	—	N/A	N/A	N/A	N/A	—	—	—	—	—	—	—	

Appendix E: PE Approval Letter Requirements

No.	Item	City Responsible Person	Target Completion Date	Actual Completion Date*	Comments
Project Scope, Design and Development					
1	Identify any third party agreements necessary for project completion, including utility agreements with private and public owners and military	LR / HLB	Jan-10	Jan-10	
2	Resolve the specific regarding proximity of the guideway to runways 22R/4L and 22L/4R at the Honolulu International Airport with HDOT and FAA	HLB	Apr-10	May-10	
3	Fully develop vehicle basis of design and functional sizing	JS	Jan-11		PMOC will review selected proposal to determine whether it meets operational criteria; it is anticipated review will take one month
4	Determine rail fleet size requirement	JS	Jan-11		Will be addressed in CSC DBOM proposal
5	Fully develop scope for the administration building and operations control center	JS / HLB	Mar-11		
6	Determine the final location of the maintenance and storage facility	FM	Jan-11		Will execute License Agreement after ROD
7	Finalize a contracting packaging plan which includes a source selection plan(s) and contract specific work plans	SZ	Nov-10		
8	Develop strategies to streamline the City's process to award contracts and to enter into grant agreements, especially as applicable to FTA grants	LR	TBD		Resolution provided to FTA and PMOC after City Council approval in Dec-09. Will be included on ballot in Nov-10 election.
9	Develop a preliminary operation plan	JS	Mar-10	08-Feb-10	
10	Ensure the service velocity does not erode over the next course of design changes	JS	Jan-11		Will be addressed in CSC DBOM proposal
Project Schedule					
11	Provide a baseline of the master Project Schedule (MPS) early in PE which will be used for monthly progress updates and tracking schedule variances	MH	Dec-10		Revised baseline to be submitted in Dec-10

No.	Item	City Responsible Person	Target Completion Date	Actual Completion Date*	Comments
12	Address the utilization manpower and equipment resource loading and budget and cost loading	MH	Dec-10		Revised baseline to be submitted in Dec-10; City acknowledged that schedule is cost loaded but will not be resource loaded
13	Include critical activities in the MPS: utility activities, real estate acquisitions, system integration, starting and testing, operational commissioning and training, vehicle procurement, major construction material procurement, FTA review and comment, detail activities for early construction packages	MH	Dec-10		Revised baseline to be submitted in Dec-10
14	Develop a right-of-way schedule	MH	Dec-10		Initial schedule submitted 29-Oct-09; will be revised in Dec-10
15	Modify the Work Breakdown Structure to cross over with the project budget and cost breakdown structure	MH	Jan-10	21-Dec-09	
Project Cost					
16	Develop a detailed bottoms-up-style project cost estimate to Standard Cost Category format. The estimate should be detailed sufficiently to determine distributions of materials, labor, equipment and general conditions elements at a minimum. The soft cost estimates should be based on staffing plans, force account plans, contracts and so forth rather than solely on percentages. The estimate should eliminate parametric-style values, cost estimating relationships, and lump sums as much as possible during PE	MH	Dec-10		Revised baseline to be submitted in Dec-10
17	Escalate the cost estimate in accordance with the MPS	MH	Dec-10		Pending completion of Item No. 16
18	Provide justification and backup documents to support the quantification and assumptions for the "soft costs" and related general conditions of the project	MH	Dec-10		Pending completion of Item No. 16
Technical Capacity					
19	Configuration management and change control mechanism	KG	Oct-10		
20	Develop detailed staffing plans for all remaining phases of the project to ensure adequate technical capacity. The plans should include the dates by which the City will fill each key position. All key City management positions should be filled during PE.	TH/PR	Oct-10		

No.	Item	City Responsible Person	Target Completion Date	Actual Completion Date*	Comments
21	Work with the State of Hawaii to establish a State Safety Oversight Agency office to oversee the project	KA	Apr-10	6-Apr-10	
22	Submit a fully developed Rail Fleet Management Plan	JS	Jan-11		
23	Have a quantifiable metrics for measuring the real status of work, both cost and schedule of all professional service contracts, and any inter-local agreements for participatory services	MH	Oct-10		
24	Develop a Contingency Management Plan which will identify the specific risks and implement the anticipated mitigation measures	SZ	Dec-10		
25	Develop an Environmental Mitigation Plan that identifies required environmental mitigation actions and the party responsible for the mitigation and that will eventually become the basis for quarterly mitigation monitoring and quarterly mitigation reports	JA/FM	Dec-10		Draft Environmental Mitigation Plan to be provided in Oct-10.
26	Update and implement the:				
	Real Estate and Acquisition Plan	JL	Dec-10		
	Bus Fleet Management Plan	PK	Oct-10		PMOC provided review comments in Aug-10
	Safety and Security Management Plan	KA	Oct-10		
	Quality Management Plan	AB	Oct-10		

*Note: Actual Date to be added only upon verification of satisfactory completion by FTA and/or PMOC.

Appendix F: Project Overview and Map (Transmitted as a separate file)

Appendix G: Safety and Security Checklist (Transmitted as a separate file)