From: Ryan, James (FTA)
To: Day, Elizabeth (FTA)
CC: Borinsky, Susan (FTA)
Sent: 9/25/2009 3:58:59 AM
Subject: RE: Honolulu

We went down the list of items from both PMOC reports looking for substantive conclusions that should be known to anyone reading the decision memo. Leslie and Nadeem were active participants. Kim Nguyen was on the call as well. And we added important issues that came from elsewhere – mostly from the FEIS review. In the judgment of the team that has been working on this project, the memo includes everything that might be important to FTA staff or others thinking about the PE-approval decision. We can dumb it down by filling it up with generic bullets that duplicate the PE checklist, but that seems counterproductive in more than one way.

From: Day, Elizabeth (FTA)
Sent: Friday, September 25, 2009 8:22 AM
To: Ryan, James (FTA); Nguyen, Kim (FTA); Tahir, Nadeem (FTA); Nutakor, Chris (FTA)
Cc: Borinsky, Susan (FTA); Rogers, Leslie (FTA); Carranza, Edward (FTA); Libberton, Sean (FTA); James, Aaron (FTA); Schruth, Susan (FTA)
Subject: RE: Honolulu
Importance: High

Hi everyone
The Honolulu approval memo and letter are not yet ready for prime time. They are lacking the level of detail we include for all other projects on the PMOC's findings on cost, scope, schedule and technical capacity. Given that this is a mega-project and very contentious locally, it seems we should identify and spell out concerns just as we do for all other projects. To do otherwise would appear that we were somehow purposefully omitting information.

Below is example text showing a format with short bullets. Attached are examples for other recent PE approval memos to give you a sense of the level of detail normally included in these documents. Note some of these memos do not follow the format below because they were prepared up to 2 years ago.

Kim and Nadeem – please work together early this morning to come up with a succinct list of bullets addressing major concerns noted in the PMOC report. Hopefully Chris and Aaron can help review it as well. Work with Jim to get this incorporated into the memo so that we can begin the packaging and circulation.

EXAMPLE FORMAT

Scope, Schedule, Cost, and Technical Capacity

<Briefly describe the Project Management Oversight Contractor's (PMOC) review of the scope, schedule, and cost, as well as the project sponsor's technical capacity. Include the name of the PMOC and the date of the report. In four bulleted lists, include the PMOC's findings about scope, schedule, cost, and technical capacity. When discussing significant concerns identified by the PMOC, also explain why moving forward with the approval is recommended despite the concerns.>

A review of the Northside LRT project scope, schedule, and cost, as well as the technical capacity of the project sponsor, the Metropolitan Transit Authority (MTA), was performed FTA's Project Management Oversight Contractor (PMOC), Booz Allen and Hamilton. The PMOC issued a written report dated January 12, 2009. FTA and the PMOC believe the project meets the requirements for entry into PE and that MTA possesses the technical capacity and capability to implement the project. The cost, scope and schedule estimates appear reasonable at this stage of project development. The following lists highlight important findings that must be addressed during PE:

Project Scope

§ MTA should finalize the scope of the project (i.e. station locations) and ensure all costs are accounted

for in the cost estimate.

§ MTA should develop the project drawings and design documents to a level in which a comparable, accurate estimate can be formulated.

§ MTA should refine the project scope to detail the needed intersection improvements along the corridor, including provisions of gates at critical crossings and additional fencing along the track alignment to improve safety.

Project Schedule

§ As soon as possible, MTA should fully develop and complete the project schedule to include realistic milestone dates, specific durations of all activities, and logic ties for a project of this size and complexity. This should include FTA's approval process through all phases of the project (PE, Final Design, Full Funding Grant Agreement, and construction, testing, and start-up).

§ MTA's project management team should establish an independent schedule in *Primavera* or other software as soon as possible to adequately track the project.

Project Cost

§ In general, the cost estimating process utilized industry-standard unit rate approaches, including determinations of rates through estimating guides, parametric methodologies, percentage allocations, and other approaches for application to appropriate estimate categories. Although the conceptual estimate appears reasonable, certain risks that have the potential to impact the overall project budget have been identified.

§ MTA should prepare a bottoms-up cost estimate based on expected quantities of the LPA scope.

§ The escalation for the project should be based on individual producer price index (PPI) escalation to commodity sectors (i.e. apply the steel PPI to all steel components and the cement PPI to all cement, etc.).

§ MTA should refine and update the project cost estimate to allocate costs to the appropriate Standard Cost Categories (SCCs).

Technical Capacity

§ Within 45 days of PE approval, MTA must complete a formal detailed staffing plan to demonstrate its intentions for hiring and position changes to ensure adequate oversight and management for the architectural and engineering contractor and project development.

§ Within 45 days of PE approval, MTA must procure architectural and engineering services.

§ Within 45 days of PE approval, MTA must submit an updated Project Management Plan (PMP) and associated sub-plans, including: Rail Fleet Management Plan, Real Estate Acquisition and Management Plan, Safety and Security Management Plan, Quality Assurance Program Plan, and Bus Fleet Management Plan.

§ MTA should determine if they will undertake a design/build or other project delivery method.

§ MTA should determine contract packaging methods for all service, construction, and owner-furnished equipment/material contracts required for the project.

From: Borinsky, Susan (FTA)
Sent: Friday, September 25, 2009 7:52 AM

To: Rogers, Leslie (FTA); Carranza, Edward (FTA); Libberton, Sean (FTA); James, Aaron (FTA); Schruth, Susan (FTA); Day, Elizabeth (FTA); Ryan, James (FTA)
Subject: FW: Honolulu

Leslie, Ed, Sean, Aaron- and Beth-As you know, Regional, TPM and TPE staff have worked through the issues/problems and completed their reviews of the Honolulu PE approval package. Jim Ryan sent out the latest version around 11 PM yesterday for the final re-read and sign-off by TRO-9, TPM and TPE..

Any chance of our finalizing this by mid-day today? That would allow us to put the package into final version, run it to TCA, get it to Peter for sign-off, and maybe even issue the 10-day notice to the Hill today.

If there are any issues/problems, please let Beth, Jim and me know as soon as possible. Susan