FEDERAL TRANSIT ADMINISTRATION

PROJECT MANAGEMENT OVERSIGHT PROGRAM

Contract No. DTFT60-09-D-00012

Project No. DC-27-5122

FTA Task Order 12 – Programmatic Services

Work Order 2 – Honolulu (Transition)

Sub-CLIN 2B: Recurring Oversight

OP 25: Quarterly Progress Review Meetings

Grantee: City and County of Honolulu

Honolulu High-Capacity Transit Corridor Project

PE Kickoff Meeting Report – November 3-5, 2009 (FINAL)

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LIST OF ACRONYMS

ARRA	▪	American Recovery and Reinvestment Act
BCE	▪	Base Cost Estimate
BFMP	▪	Bus Fleet Management Plan
DB	▪	Design-Build
DBOM	▪	Design-Build-Operate-Maintain
DTS	▪	City and County of Honolulu Department of Transportation Services
EPA	▪	U.S. Environmental Protection Agency
FAA	▪	U.S. Department of Transportation Federal Aviation Administration
FEIS	▪	Final Environmental Impact Statement
FFGA	▪	Full Funding Grant Agreement
FOIA	▪	Freedom of Information Act
FTA	▪	U.S. Department of Transportation Federal Transit Administration
FY	▪	Fiscal Year
GBR	▪	Geotechnical Baseline Report
GEC	▪	General Engineering Consultant
GET	▪	General Excise Tax
HDOT	▪	State of Hawaii Department of Transportation
LONP	▪	Letter of No Prejudice
LPA	▪	Locally Preferred Alternative
MOU	▪	Memorandum of Understanding
MPS	▪	Master Project Schedule
MSF	▪	Maintenance and Storage Facility
NEPA	▪	National Environmental Policy Act
NOA	▪	Notice of Availability
NTP	▪	Notice to Proceed
OCC	▪	Operations Control Center
OEQC	▪	Hawaii Department of Health Office of Environmental and Quality Control
PA	▪	Programmatic Agreement
PE	▪	Preliminary Engineering
PMOC	▪	Project Management Oversight Contractor
PMP	▪	Project Management Plan
PMSC	▪	Project Management Support Consultant
PUC	▪	Hawaii Public Utilities Commission
RAMP	▪	Real Estate and Acquisition Management Plan
RFMP	▪	Rail Fleet Management Plan
RFP	▪	Request For Proposals
ROD	▪	Record of Decision
RTD	▪	DTS Rapid Transit Division
SHPO	▪	State Historic Preservation Office
SSMP	▪	Safety and Security Management Plan
SSOA	▪	State Safety Oversight Agency
SSORC	▪	Safety and Security Oversight Review Committee
TPE	▪	FTA Office of Planning and Environment
TPM	▪	FTA Office of Program Management
WOFH	▪	West Oahu/Farrington Highway

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1.0 EXECUTIVE SUMMARY

Report Date	January 7, 2010 (FINAL)
Project Name / Location	Honolulu High-Capacity Transit Corridor Project Honolulu, Hawaii
Project Sponsor	City and County of Honolulu (City)
Project Management Oversight Contractor (PMOC) firm	Jacobs Engineering Group Inc.
Person providing this report	Tim Mantych, PE (MO, IL)
Length of time PMOC has been assigned to this project:	Since September 22, 2009

1.1 Introduction

The purpose of the report is to provide the Federal Transit Administration (FTA) with summary discussions and activities from the Preliminary Engineering (PE) Kickoff /PMOC Transition Meeting that was held November 3-5, 2009 with the City and County of Honolulu (City) for the Honolulu High-Capacity Transit Corridor Project ("Project").

1.2 Schedule of Activities

Attachment A of this report presents the detailed Agenda for the PE Kickoff/PMOC Transition Meeting. A summary of activities during the subject period are as follows:

- November 3, 2009 – Day 1 of PE Kickoff/PMOC Transition Meeting
- November 4, 2009 – Project Tour and Day 2 of PE Kickoff/PMOC Transition Meeting
- November 5, 2009 – Review of West Oahu/Farrington Highway (WOFH) Design-Build (DB)Contract Documents

1.3 Participants

Representatives from the following organizations participated in the activities during the week:

- City and County of Honolulu (City)
- Federal Transit Administration (FTA)
- InfraConsult – Project Management Support Consultant (PMSC)
- Parsons Brinckerhoff – PE/EIS General Engineering Consultant (GEC)
- Jacobs Engineering Group – Project Management Oversight Contractor (PMOC)

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2.0 MEETING SUMMARY – NOVEMBER 3, 2009

2.1 Opening Remarks

2.1.1 FTA

Leslie Rogers (FTA) welcomed everyone to the Preliminary Engineering (PE) Kickoff Meeting for the Honolulu High-Capacity Transit Corridor Project. Mr. Rogers shared the following thoughts:

- The FTA is operating on a continuing resolution that ends December 18, 2009. The FTA must have a full year of funding to make any Full Funding Grant Agreement (FFGA) commitments.
- The FTA met statutory goals of spending 50% of the America Reinvestment and Recovery Act (ARRA) funds by smashing the goals by 90% and expects remaining funds to be spent by March 2010.
- The FTA Administrator wants enhanced agency accountability and transparency, accelerated approval process, and expeditious resolution of issues because "time is money."
- One of the Administration's primary concerns is transit safety based on recent tragic events associated with WMATA, MBTA and SFMTA. Safety throughout all transportation modes will be reviewed. As a result, it is anticipated that the FTA may receive regulatory authority. This will become particularly germane for the state of Hawaii and their need to establish a Safety and Security Oversight Agency (SSOA).
- Another hallmark of the FTA is the State of Good Repair (SGR). The FTA commissioned a study of several legacy systems in New York, Washington, D.C., Chicago, Boston and San Francisco. One of the key findings was that there was no standard definition of SGR. Another was the correlation of SGR and system safety. This issue has become significant with regard to balancing system expansion while maintaining existing systems and level of repairs and resources needed for SGR.
- Another recent initiative involves the Department of Housing, Environmental Protection Agency (EPA), and the Department of Transportation. They have signed a Memorandum of Understanding (MOU) for a livability initiative with goals of improving communities across the country.
- Mr. Rogers extended his gratitude for the project staff attending the FTA New Starts Engineering Workshop and FTA New Starts Construction Roundtable.

2.1.2 City of Honolulu

Wayne Yoshioka from the Department of Transportation Services (DTS) thanked the FTA on behalf of Mayor Hannemann for their visit. Mr. Yoshioka also thanked the FTA for the ARRA funds received by the State of Hawaii and City and County of Honolulu. Mr. Yoshioka expressed appreciation for helping the City advance the project. It is understood that there are still issues with the project, but they will work with the FTA to address them. He noted that the state and City are in dire economic times. There is potential that funds specifically allocated for transit may be diverted if not committed and used in the near term. Mr. Rogers asked about the legality of the State diverting such funds. Reid Yamashiro representing the City's Corporation Counsel responded that the county surcharge was authorized by state statute, and that the state

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legislature could pass another law that amends or revises the statute, but that would possibly raise other legal issues. So the state legislature attempting to divert the county general excise tax surcharge was not impossible. Mr. Yoshioka stated that the City understands that the state must not cut corners nor allow misuses of funds if the Project is to be completed as planned.

2.2 Project Management Oversight and Contractor Introduction

Nadeem Tahir (FTA) provided an overview of the FTA organization structure:

- Office of Program Management, Headquarters (TPM) – Kim Nguyen (Program Manager)
- Office of Program Management and Oversight, Region IX – Nadeem Tahir (Director)
- Office of Program Management and Oversight, Region IX – Catherine Luu (Program Manager/General Engineer)
- Office of Planning and Environment, Headquarters (TPE) – Jim Ryan (lead for PE and Final Design)
- Office of Planning and Environment, Region IX – Ray Sukys (Director)
- Office of Planning and Environment, Region IX – Ted Matley (Planner)

He noted that FTA must ensure due diligence has been completed when considering the merits of the Project and that procedures have been developed to ensure the Project progresses as it has been planned, designed, and promised to FTA. The FTA strives to ensure that the same criteria are applied uniformly. To do so, they have developed Operating Procedures that each PMOC must follow for monitoring and completing targeted project reviews. Mr. Tahir stated the FTA recently completed a selection process for PMO Contractors. Jacobs was selected as a contractor in the program and has been assigned to the Honolulu High-Capacity Transit Corridor Project.

2.3 PMOC Transition

Tim Mantych (PMOC) distributed an organization chart and stated that the PMOC's role is to help ensure that the project progresses as planned. Mr. Mantych introduced the PMOC staff assigned to this project, including subcontractors. He requested that a regular monthly meeting schedule be established for consistency. Appendix D consists of a 90-day Look Ahead Schedule.

Mr. Hamayasu (City) stated that the City would like to work with the PMOC team using a tiered approach. Mr. Mantych responded that he would be the primary contact, and Bill Tsiforas (PMOC) would be the secondary contact. Mr. Hamayasu responded that he would be the primary contact for the City and Simon Zweighaft (PMSC) would be the secondary contact. Mr. Hamayasu encouraged the PMOC to become familiar with the current status of the Project and maintain open communication. Mr. Tahir stated that email is a good means of communication and that he and Catherine Luu (FTA) should be included on all email correspondence. Mr. Hamayasu asked about having breakout sessions during monthly progress meeting. Mr. Mantych acknowledged that these would be beneficial.

Mr. Hamayasu raised the issue of the cost estimate. Mr. Mantych stated that Tim Morris (PMOC) is the main point of contact for the PMOC regarding the cost estimate. Mr. Mantych stated that the PMOC would conduct exit briefings with FTA Regional and Headquarters staff at the end of each monthly progress meeting.

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Mr. Zweighaft stated that the City will start using a website to post meeting presentations for those that will be participating via conference call.

Mr. Rogers stated that FTA's conduct in the release of project information will be governed by the Administration's policy of transparency in government and the new standards for release of information under the Freedom of Information Act (FOIA). Under the new standards, requests for information should be reviewed in light of a presumption of openness with a view toward determining what can be disclosed, rather than what can be withheld.

Renee Marler (FTA), Regional Counsel, then discussed FTA procedures for the release of documents related to the project. Ms. Marler stated that FOIA and the Administration's policy of open government apply to all documents in FTA's control, unless there are compelling reasons not to release a document. Ms. Marler noted that she would address procedures for the review and release of documents under FOIA and appropriate handling of confidential or sensitive information with Corporation Counsel. In response to a City question, Ms. Marler noted that the FTA does not have a requirement to let the grantee know when a request has been received or when there is a release of documents related to the project. Mr. Yoshioka asked if the FTA could provide a "courtesy call" to inform the City of requests. Ms Marler noted that when requested, FTA has notified the City of the release of Project documents under FOIA. In particular, the City can receive a copy of Project-related documents released by FTA, if it files a FOIA request. Mr. Rogers stated that information requests typically are submitted first to the City and are only submitted to the FTA if the City does not honor the request. Mr. Hamayasu responded that they believe requests are made to FTA directly without contacting the City because they are more frequently granted. Ms. Marler added that these concerns are not unique, and the City should do what they can to respond to requests fully at the local level. Information on the policy governing FTA's release of documents is summarized on the website of the U.S. Office of Information Policy at http://www.justice.gov/oip/foiapost/2009foiapost8.htm.

Mr. Zweighaft noted that a discussion should occur during the meeting with regard to procurement documents and the RTD's requirement to sign a Declaration of Confidentiality. Ms. Marler stated that the FTA Master Agreement allows for access to project-related information. It was noted that the issue would be discussed further into the agenda.

2.4 Project Status Update (City)

[For each of the following agenda topics, the City developed presentation materials. These presentations were provided to the FTA and the PMOC at the end of the meeting. Portions of those presentations have been included within this report where relevant.]

2.4.1 Organization Chart

Toru Hamayasu (City) distributed a handout of the City's organization chart and introduced Paul Romaine (City), who provided an update on staffing.

2.4.2 Program Staffing Update

Paul Romaine (City) discussed the staffing plan considerations, the skill sets required, resource pool, staffing profile, organizational structure, and non-labor resources. The City staffing is based on the following numbers:

- Fiscal Year (FY) 2008 – 35 positions
- FY 2009 – 35 positions
- FY 2010 – 79 positions
- FY 2011 – 110 positions

Mr. Romaine then discussed building the Human Resource Pool by creating a website (honolulutransit.org) and holding transit symposiums, participating in rail transit workshops, attending job fairs, and through media coverage. Mr. Romaine mentioned the City Support Agencies that are also part of the Project, which includes the Department of Budget and Fiscal Services, Corporation Counsel (on site attorney) and the Department of Human Services. Filled Project positions have come either from the PMSC or the City. Mr. Tahir asked if the organization chart has been officially adopted, and Mr. Romaine responded it is in the process of being adopted. FTA then requested an organization chart be provided that includes names and affiliations.

Mr. Tahir asked about the Project Management Plan (PMP) and if it includes the updated organization chart. Mr. Zweighaft responded that the PMP is in the process of being updated and will reflect the current organization chart. Mr. Mantych asked about a schedule for filling positions, and Mr. Romaine responded that the City does not have a schedule and hierarchy for filling positions. Catherine Luu from FTA asked if the City will fill all the positions by this fiscal year, and Mr. Hamayasu responded that all positions would not be filled given that all the current applicants may not be qualified.

2.4.3 Highlights and Achievements

Mr. Hamayasu discussed some of the highlight and achievements since the previous meeting including: refinement of the project schedule; Final Environmental Impact Statement (FEIS) progress; City Council Actions; Mayor's Press Conference; FY 2010 Budget; and Drilled Shaft Testing Program

Mr. Hamayasu stated there is an issue of clarification with the timing of NEPA and the Notice of Award of the WOFH DB contract. In particular, the award of the contract and Notice to Proceed No. 1 limits the contractor's activities to the elements of PE whose principal purpose is refinement and validation of information supporting the environmental review and excludes construction activities. A letter to the local newspaper clarified this point and it was shared with the attendees. The terms "award" and "execution" were discussed, as those terms relate to third-party procurements and contracts. City staff use "award" when referring to the acceptance notification of a bid or proposal, consistent with the term's definition in the Hawaii Administrative Rules on procurement. City staff uses "execution" when referring to the signing of a contract. Ms. Marler requested the City to clarify the term "award" to the resource agencies.

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Faith Miyamoto (City) provided an update on the FEIS. She also discussed the issues that must still be finalized:

- Airport coordination – City sent letter to Federal Aviation Administration (FAA) for concurrence.
- Federal lands to Parks Determination – National Parks and Aloha Stadium deed restriction for recreation services. City sent a draft easement document for release of land.
- Section 106 PA – City received final comments from State Historical Preservation Office (SHPO), and those comments have been incorporated in a final PA with a matrix that discusses all comments.

Ted Matley (FTA) stated the final legal sufficiency review must be completed, and he noted that its completion is dependent on the outcome of a pending meeting with all consulting agencies to finalize the PA. Ms. Miyamoto responded that no substantive changes are anticipated. Ms. Miyamoto then discussed the steps to a Record of Decision (ROD):

(1) Status copy of FEIS sent to FTA
(2) Incorporating FTA review comments, including form legal sufficiency review
(3) FTA approval of FEIS
(4) Produce/distribute FEIS
(5) File FEIS with Office of Environmental and Quality Control (OEQC) and EPA
(6) Federal Register Notice of Availability (NOA) – 30-day review period form issuance of NOA
(7) OEQC Review/Governor's acceptance – OEQC requires 30-day review period between OEQC and Governor's acceptance)
(8) FTA reconciliation of comments
(9) ROD

Mr. Matley mentioned there were several other items that must be resolved including: the two options for the Maintenance and Storage Facility (MSF); Section 4F and uncertainty with potential burial sites; and issues related to the airport.

The City mentioned a section in Chapter 343 of the Hawaii Revised Statutes pertaining to Historic Preservation. It states the need to identify unresolved issues, and these have become clearer since the DRAFT FEIS was submitted. Ms. Marler responded it would be beneficial to list all Chapter 343 items, and any analysis that is required by Hawaii law should be clearly stated.

Ms. Miyamoto did note that Navy Drum Site had been transferred to the Department of Hawaiian Home Lands by the Navy. Mr. Matley asked if the City intended to delete one of the MSF location options from the FEIS. Ms. Miyamoto responded that the FEIS would identify both sites as options. Ms. Marler stated the City would need to make a decision on which site will be used prior to issuance of an ROD. Ray Sukys (FTA) stated the City should select a maintenance site and then study an alternative site in the FEIS. If the preferred site is not available, then the City could consider the alternative site, and FTA might amend the ROD.

With regard to Section 4(f) and the issue of potential burial sites, Ms. Miyamoto responded the City is proceeding with the documents needed in the national register.

FTA requested additional information regarding the airport issue. Particularly, they would like an electronic version of the presentation to evaluate and analyze the issue. Jim Van Epps (GEC) provided letters to the airport regarding concurrence. Mr. Sukys asked that the City have a backup plan in case the proposed mitigation is deemed untenable. Mr. Sukys stated his doubt in the feasibility of moving the runways for several reasons. The ripple effects of moving the runways include many unknowns including the reaction of the airline community, the loss of runway capacity at this location with little in return for the airport, reduced options for airport operations, the likely negative reaction from the Air Force with regard to impacts to its golf course, and construction impacts that will re-route landing causing new temporary noise impacts for some neighborhoods. Mr. Sukys also questioned whether HDOT could perform to complete its tasks, Airport Layout Plan modification with NEPA finding from FAA by 2012 when the alignment would need to be locked in for construction purposes. Mr. Sukys stated the backup plan should avoid the runway protection zone and it could serve as a design option for the EIS potentially avoiding the risk of a supplemental EIS.

Mr. Van Epps responded there are issues with the Master Plan and the City is not ready to construct that portion of work for several years. Not knowing the future plans of the airport, the City cannot identify an alternate plan. Mr. Mantych asked when the City would require an MOU regarding the airport, and Mr. Van Epps responded it would needed by late 2010.

2.4.4 Baseline Project Scope

Mr. Van Epps provided an overview of the Locally Preferred Alternative (LPA) and some of the key features of the project:

- 20.5 miles in length (all of which is elevated but for a short section near Leeward Community College and the MSF)
- 21 stations with 240-foot platforms
- Fully automated (driverless) light metro transit vehicles (steel wheel/steel rail)
- Third rail power systems using 750 Volts DC
- 13 substations are planned
- Barrier free fare collection (City may still consider implementation of a closed system)
- Open platform (protective screen doors may be considered)

2.4.5 Baseline Project Schedule

Mr. Zweighaft provided an overview all construction contracts. He displayed a Linear Schedule that roughly showed the timing and coordination of all contracts.

2.4.6 Project Budget Update

Mark Scheibe (GEC) discussed the components of the project budget that includes the adjusted base cost estimate without contingency from the July 2009 Spot Report (Jacobs), recommended

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contingency from the July 2009 Spot Report (Jacobs), and the Finance charges from the August 2009 Financial Plan.

The adjusted base cost estimate without contingency is $3.838 billion. The project budget with the adjusted Base Cost Estimate (BCE), contingency and finance charges is $5.348 billion. Other costs include Pre-PE and NEPA activities and finance charges that will occur after the start of revenue services. The total project cost with these charges is $5.532 billion.

Mr. Scheibe discussed the project capital revenue sources, which total $5.563 billion:

- General Excise Tax (GET) surcharge – $3.698 billion
- Section 5309 – $1.550 billion
- Section 5307 – $301 million
- ARRA (Section 5307) – $4 million
- Interest – $11 million

Mr. Scheibe noted that the GET surcharge receipts received to date are approximately $420 million (each quarter's surcharge revenues are received approximately 30 days following the end of each quarter).

Changes that may affect the budget include advancing the Kamehameha Highway Guideway & Utilities Contract through the use of DB procurement, incorporating costs from WOFH DB Contract price proposal, and a change in the GET surcharge forecast. With these changes, the Total Project Cost could be reduced from $5.532 billion to $5.391 billion.

Mr. Scheibe provided a summary of the revised project capital revenue sources that includes a GET surcharge of $3.626 billion, Section 5309 of $1.550 billion, ARRA (Section 5307) of $4 million and interest of $8 million for a total of $5.188 billion. This results in a funding shortfall of $203 million, which could be backfilled though Section 5307 funds. However, the City is hopeful they will be able to reduce this shortfall through project development (.i.e. refined Base Cost Estimate and revenue estimates during PE) and an aggressive bidding environment.

Mr. Mantych asked if any portion of the project is exempt from the GET. Mr. Hamayasu responded that none of the project components or contracts is currently exempt. Legislative action would be required to exempt any portion of the Project from the GET.

Mr. Mantych asked when the Request for Proposals (RFP) for the Kamehameha Highway Guideway & Utilities DB Contract would be issued. Mr. Scheibe responded the RFP was scheduled for issuance on November 18, 2009.

Mr. Sukys questioned whether there were sufficient funds in the project noting the downturn in the economy and the use of over $400 million of Section 5307 formula funds for the project and operations. Mr. Sukys questioned how the bus system could be maintained when the annual apportionment of funds would be applied to the project. Mr. Sukys noted that FTA's PE approval indicated that the current state of the financial plan was barely sufficient for a less rigorous PE approval and that FTA's FMOC indicated that the current financial plan would not meet the test for Final Design approval. After receiving questions about what the issues were,

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Mr. Sukys indicated that excise tax projections and other assumptions were overly optimistic. RTD indicated that a revised financial plan would be prepared during PE and will address these issues.

2.4.7 Engineering Update

Harvey Berliner (PMSC) provided an update on engineering activities associated with the project including the Rapid Transit Division (RTD) standards, advanced conceptual design status, and design issues. The RTD standard documents include:

- Design Criteria, Revision 1 (dated December 18, 2009 – pending)
- Standard Specifications, Revision 1 (dated October 30, 2009)
- Standard and Directive Drawings, Revision 0 (dated November 13, 2009 – pending)
- Plan Standards & CADD Procedures, Revision 0 (dated October 16, 2009)

It was noted that the City is utilizing a Geotechnical Baseline Reports (GBR) for their guideway segment contracts. The GBR includes provisions for risk sharing. After developing the GBR, the City had an expert panel review the document.

Mr. Berliner highlighted some of the key design issues along the corridor:

- Flood Plains
    - Pearl Highland Station, Transit Center and Park and Ride are in Waiawa Stream Floodplain
    - Waipahu Transit Center Station in Waipahu Stream Floodplain
    - Must achieve "Zero Rise" and meet Federal Emergency Management Agency requirements
- Archeological
    - Minimize disturbance to burial sites (reduce foundation footprints and utility relocations where possible)
    - Develop investigation plan for sampling along alignment and test pits at probable excavation sites
- Utilities
    - Continued Coordination
    - Review of Relocation Concepts
    - Explore Concepts to Minimize Relocations
    - Develop Concepts to Share Space
- Airport
    - Runway clearance requirements changed since 1992 plan
    - Runway Clearance/Transit Alignment Coordination
    - Station Design Coordination
- Right-of-Way
    - Identification of full and partial takes
    - Appraisals

2.4.8 Available Documents / Document Update

Mr. Zweighaft provided an overview on the status of all PE documents including:

- Project Definition/Scope
    - Project plans and drawings
    - Design criteria and standards
    - Specifications
    - Master permitting plan and schedule
    - GBR
    - Project accessibility documentation
- Project Cost, Schedule & Finance Plan
    - Capital Cost Estimate
    - Project Schedule
    - Operations and Maintenance Cost Assumptions
    - Finance Plan
- Project Development Requirements
    - Final NEPA Documentation
    - Required Environmental Permits
    - Before and After Study Documentation
    - TIP and STIP Final Design Programming
- Travel Forecasts
    - Documentation of methodology
    - Summit reports and maps
    - Travel forecasts template
    - Annualization factor justification
- Project Management Plan and companion documents
    - Contingency Management Plan
    - Real Estate Acquisition Management Plan
    - Rail Fleet Management Plan
    - Bus Fleet Management Plan
    - Safety and Security Management Plan
    - Operating Plan
    - Configuration Management Plan
    - Value Engineering report
    - Contract packaging plan for Final Design
    - Contracting plan for construction procurement
    - Claims avoidance plan for Final Design
    - Claims avoidance plan for construction general conditions
- Third Party Agreements
    - Utility Agreements
    - Right-of-Way Agreements
- New Starts Templates and other Certifications
    - New Starts Criteria Templates and other Certifications
    - SCC Annualized Cost Worksheets
    - Land Use Supporting Information
    - Making the Case Document
- Administrative Requirements
    - Legal Capacity
    - Authority to pursue contract with project delivery method(s) proposed

AR00118753

- Grantee Letter of Request for Final Design

The City is in the process of updating the PMP to be more current as they begin PE, and they will again update the document in advance of their request to enter Final Design.

Mr. Mantych asked about the status of a new bottoms-up BCE. Mr. Zweighaft responded that the revised BCE would be completed in early 2010.

It was noted that the City can encumber up to $1 billion to build the project prior to a Full Funding Grant Agreement (FFGA). The City has $420 million available through the GET surcharge, and they will obtain bonds for the remainder of any needed funding.

Mr. Zweighaft asked about the timing of performing Value Engineering for the stations. Mr. Tahir responded that Value Engineering should be performed at the point when it is most meaningful. The City can conduct Value Engineering on stations as a separate element, but it would still need to complete Value Engineering for the entire project prior to Final Design. Mr. Tahir stated at minimum, a person certified in Value Engineering must be a committee member.

2.4.9 Real Estate Acquisition / Right-of-Way Update

Jerry Iwata (City) provided an overview of real estate required for the project:

- Summary of Properties
  - Total takes 203
  - Full takes 33
  - Partial takes 156
  - Easements 12
- Progress to Date
  - 37 properties identified for WOFH segment
  - 13 draft appraisals in review
  - One (1) early acquisition in process
  - One (1) property in City Center section approved for early acquisition
  - One (1) draft agreement (Hawaii Department of Transportation (HDOT))
  - One (1) draft license agreement (Department of Hawaiian Homelands (DHHL))
  - Agreement in Principal (Leeward Community College, Waipahu High School)
  - Easement request (US Navy)
  - Consent to construct (D.R. Horton)
- WOFH Relocation Plan includes 22 displacements
  - 16 Residential
  - 5 Commercial
  - One (1) Non-profit
- Next steps
  - Submit final appraisals for FTA review as required
  - Acquire property for West Oahu Farrington section
  - Procure a relocation consultant
  - Identify additional easements/property as design progresses
  - Continue developing agreements

AR00118754

- Revise Real Estate Acquisition Management Plan

Mr. Tahir asked who is performing the appraisals/survey required for real estate acquisitions. RTD responded the GEC has hired two firms to perform the appraisals/survey.

Ms. Marler asked about the status of relocation procedures. Mr. Iwata responded that he is working closely with the design consultants and other departments to establish the procedures. Mr. Sukys asked if the City has sufficient staff to manage the real estate activities. Mr. Iwata responded that DTS is receiving assistance from the City Departments of the Corporation Counsel, Design and Construction, and Budget and Fiscal Services

Mr. Mantych stated the PMOC intends to plan a real estate workshop with the City to be held in early 2010.

2.4.10 Procurement Update

Contracts

Mr. Zweighaft provided a presentation on the contracts anticipated for the project (number in parentheses indicates number of anticipated contracts if more than one):

- Professional Services
  - Project Management Support
  - General Engineering Services
  - Legal Services
  - LEED Commissioning
  - Insurance Consulting for Owner Controlled Insurance Program (OCIP)
  - 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
  - Core Systems Design-Build-Operate-Maintain (DBOM)
  - Elevator/Escalator

It was noted that there had been a bid protest by one of the insurance brokers that submitted a proposal for the Insurance Consulting Contract. Ms. Marler requested the City to provide the FTA with a copy of the bid protest and "to notify FTA when there is a bid protest on the project, as required by the FTA Master Agreement at Section 54".

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Procurement Process

Wes Mott (PMSC) provided a summary of the City's procurement process for the various contracting types. Of particular interest was the process for DB procurement. The City utilizes a multi-step competitive sealed proposal approach:

- RFP Part 1 – Qualifications
- RFP Part 2 – Technical Priced Proposals
- "Best Value" Selection
- Process is confidential until award is announced
- Confidentiality agreements required of participants who have access to procurement documents

Mr. Rogers asked the City if there was a process in place where contractors are allowed to review and see if there are any onerous provisions. Mr. Mott responded there is no process, but industry reviews have taken place. Mr. Zweighaft also mentioned the City held a construction symposium as well. If priority-listed offerors have concerns about onerous provisions, they are also able to raise these concerns through a Request for Information process during the solicitation period.

Mr. Mantych asked who signs the contract for the City. Mr. Hamayasu responded it is the City's Chief Procurement Officer.

For the WOFH DB Contract, the City short listed three companies. The following table presents the Best Value Evaluation Scoring as determined by the evaluation committee.

Evaluation Criteria	Max. Score	Kiewit	Flatiron	Nordic
Quality	900	734	648	645
Technical Solution	2,500	2,026	1,739	1,725
Schedule & Time	400	348	284	261
Key Personnel/ Experience	850	680	710	630
Project Support	350	309	171	189
Price Realism	2,500	2,010	1,620	1,665
Cost	2,500	2,500	2,050	2,380
Total	**10,000**	**8,607**	**7,222**	**7,495**

Mr. Rogers asked about the DBE requirements. Phyllis Kurio (City) responded that the WOFH DB Contract contains DBE requirements consistent with FTA's Western States guidance.

Civil DB Contracts

Harvey Berliner (PMSC) provided an update on the status of the following civil DB contracts

(1) West Oahu/Farrington Highway Guideway (WOFH)

The schedule for the WOFH DB Contract procurement was as follows:

- Proposal Received – August 28, 2009
- Notice of Award – October 21, 2009
- Execution of Contract – November 16, 2009

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- Limited NTP – Week of November 16, 2009
- Ground Breaking – January 2010

Kiewit has been selected for this contract with a price of $482,924,000. The engineer's estimate was $502,422,551.

Mr. Mantych asked about the $90 million reduction from the engineer's estimate that was reported by news outlets. Mr. Hamayasu responded that the reduction is from the proposed budget, which was based on an earlier version of the project's estimate.

Some of the characteristics of the Kiewit proposal were presented by Mr. Berliner (differences from RFP are shown in parentheses):

- 30-foot wide dual track box girder
- Typical Span length of 125 feet (RFP identified 150-foot spans)
- 10-foot guideway sections erected using two underslung erection trusses (RFP identified overhead gantry)
- Crossing over at H1 has maximum span of 343 feet constructed using balanced cantilever approach
- Typical columns will be 6-foot diameter round (RFP identified 6-foot by 6-foot square columns with rounded corners)
- Drilled shafts ranging in size from 7-foot diameter to 9-foot diameter (RFP identified sizes ranging from 8-foot diameter to 10-foot diameter)
- City approved alternate technical concept of Base Grouting of Drilled Shafts
- Schedule shows an early completion by 100 days

Mr. Mantych asked about the production rates. Mr. Zweighaft responded that PCL's production rates were for one gantry system, and Kiewit proposed two gantries. PCL's had better production rates but their overall proposal cost was much higher than Kiewit's proposal. Mr. Sukys suggested that the FEIS be updated to include 125-foot spans as proposed for WOFH line section. Mr. Berliner responded that the FEIS did not need to be updated to reflect this change since this is only one segment of the project and the other segments still show 150-foot spans. However, Mr. Hamayasu agreed that any graphics included in the FEIS that represented the WOFH segment would be modified to appropriately show the configuration.

Mr. Tahir stated the 7-foot diameter width shafts should be reviewed by the Geotechnical Engineer. Mr. Zweighaft responded that Kiewit submitted structural calculations with their proposal.

The Notice to Proceed (NTP) for the WOFH DB Contract was discussed. The original RFP included one NTP. However, the City intends to utilize several NTPs:

- NTP #1 – PE work activities whose principal purpose is refinement and validation of information supporting the environmental review process.
- NTP #2 – Remaining PE work activities
- NTP #3 – Final Design work activities
- NTP #4 – All remaining work of the contract

Mr. Tahir asked when the contractor needed to provide the baseline schedule submittal and Mr. Zweighaft responded it was due within fourteen days after the Notice to Proceed.

Mr. Mantych asked about the other NTP dates once NTP #1 is issued. Mr. Zweighaft responded that NTP #2 would be issued after the Record of Decision (ROD), and the dates for the other NTPs are to be determined.

(2) Maintenance and Storage Facility (MSF) DB Contract

The schedule for the MSF DB Contract procurement was as follows:

- RFP Part 1 – May 2009
- RFP Part 2 – July 2009
- RFP Part 2 proposals – December 4, 2009
- Notice of Award – January 2010
- NTP – March 2010

The capacity of the MSF as presented in the RFP includes the following:

- Ultimate Yard Capacity – 100 vehicles
- Maintenance Shop – 16 vehicles
- Wheel Truing Shop – 4 vehicles

Mr. Tahir recommends an industry review be performed for the Maintenance and Storage Facility project. Mr. Zweighaft responded in the affirmative. Mr. Mantych asked to whom the contractor would report. Mr. Hamayasu responded it would be a PMSC employee until a City employee could be identified.

<u>Core Systems DBOM Contract</u>
Jurgen Sumann (PMSC) provided an update on the status of the Core Systems DBOM Contract.

The schedule for procurement of this contract is as follows:

- Release of RFP Part 1 – April 9, 2009
- Received Part 1 Proposals – June 5, 2009
- City Determines Priority List – June 9, 2009
- RFP Part 2 Priority List Due – August 17, 2009
- Part 2 Proposal Due – January 2010
- BAFO negotiations "if applicable" – February-March 2010
- Selection of CSC – March, 2010
- Initial NTP – May 2010

The scope of the contract includes the following:

- Vehicles
- Train Control
- Traction Power
- Communications
- Operation Control Center
- Fare Collection
- Operations and Maintenance for Passenger Service
    - Responsible for operations and maintenance for all function relative to train movement
    - Responsible for Intermediate Operating Section Openings (6 Sections including the Demonstration Section opening 2012)
    - O&M Contract will extend 5 years beyond the full build revenue date (2019), with an additional 5-year option.

The City held three separate meetings with offerors during the solicitation process:

- April 22, 2009 – Pre-proposal conference
- August 11-13, 2009 – Industry review meetings with Priority List Offerors
- September 15-16, 2009 – Informational meetings following Part 2 RFP Release

Mr. Mantych asked if the industry review meetings were one-on-one. Mr. Sumann answered in the affirmative.

Mr. Tahir had a question regarding emergency power. Mr. Zweighaft responded island-wide power outages are an issue, and there is a clause in the RFP requiring the vehicles to be capable of "crawling" to stations if such an outage occurs. Mr. Tahir responded the vehicles would require significant battery power, and he has not seen this in any other systems since traction power sub-stations are typically back fed from other sub-stations. He suggested the City consider adopting train evacuation procedures instead. Mr. Zweighaft responded since the vehicles are driverless this would pose a problem. The emergency power system is a mandatory priced option item in the documents, and the City will determine whether to take up this option depending upon prices received.

2.4.11 Community Relations

Mr. Hamayasu provided an update on the status of Community Relations. He noted that several outlets have been utilized to inform the public including the following:

- Transit Symposium
- Station Design Workshops
- Neighborhood Board Meetings
- Radio Shows & Various Events
- Newsletters/Printed Media

Mr. Hamayasu mentioned that the City created a website for community relations. Mr. Rogers asked if the City intends to have a project representative on the ground in these separate

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communities. Mr. Hamayasu responded in the affirmative. Mr. Rogers replied it is imperative to have a City representative actively involved in all contracts to coordinate mitigation.

2.4.12 City Council

Mr. Hamayasu provided an update on completed City Council Actions, which included the following:

(1) Resolution 09-306 (adopted October 27, 2009) authorizes the DTS Director to execute Programmatic Agreements
(2) Resolution 09-295 (adopted October 27, 2009) authorizes Special Deputy Corporation Counsel for environmental impact assessment matters
(3) Resolution 09-268 (adopted September 16, 2009) authorizes Special Deputy Corporation Counsel for OCIP bid protest
(4) Resolution 09-158 (adopted June 10, 2009) urges the Hawaiian language in naming transit stations.

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3.0 MEETING SUMMARY – NOVEMBER 4, 2009

3.1 Project Alignment Tour

The City and its consultants provided FTA and the PMOC with a project tour (Airport Alignment) including a stop at the Navy Drum Site (one of two potential locations for MSF).

3.2 PE Approval Letter

The detailed findings that the FTA has determined to be critical for the City to address during PE, as identified on page 3 of the PE Approval Letter dated October 16, 2009, were discussed. Appendix C consists of a matrix that identifies the item, the responsible party from the City's project team, and the status. This matrix will be reviewed and updated monthly. Following is a summary of discussions related to those items identified in the letter:

<u>Project Scope, Design and Development</u>

- *Identify any third party agreements necessary for the project completion, including utility agreements with private and public owners and the military*

  Mr. Mantych stated that the PMOC will create a matrix to track the PE items that must be addressed. Mr. Berliner stated six of ten utility agreements have been circulated within the City, and two other agreements are in the process of being completed. The remaining two agreements are still being developed. Laura Ray (PMSC) responded that the University of Hawaii and West Oahu agreements are close to being completed (agreed in concept). The Navy Drum site is also moving forward. Mr. Mantych noted that a matrix of all third party and utility agreements would be helpful to track their status. The City agreed to develop such matrices.

- *Resolve the specifics regarding proximity of the guideway to runways 22R/4L and 22L/4R at the Honolulu International Airport with the Hawaii Department of Transportation and the Federal Aviation Administration.*

  Mr. Zweighaft stated the Airport will be discussed more extensively later in the presentation.

- *Fully develop the vehicle basis of design and functional sizing.*

  Mr. Zweighaft stated the City has fully developed the vehicle basis of design and functional sizing, and this will also be addressed later in the presentation.

- *Determine rail fleet size requirement.*

  Mr. Zweighaft stated the fleet sizing will be reviewed in PE. Mr. Sumann also noted that the Core System contract selection will occur in May 2010, at which time more definitive information will be available to refine the fleet size requirements. Catherine Luu (FTA) asked if this information will be provided in the Rail Fleet Management Plan. Mr. Zweighaft responded in the affirmative. Mr. Tahir asked about the selection team for the

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Core Systems contract. Wes Mott (PMSC) responded that the City could not reveal the selection committee members until after the process was complete. He also noted that the City has a core team of subject matter technical experts (train control, traction power, communications, vehicles, etc) that have been identified by the City. Mr. Rogers questioned whether the subject matter experts were ever disclosed. Mr. Mott responded the subject mater technical experts were identified to the evaluation committee during the RFP process. Mrs. Kurio asked what was needed to consider this requirement as having been satisfied. Mr. Mantych responded the final accepted proposal from the Core Systems Contractor with documentation supporting the proposed fleet size would suffice.

- *Fully develop scope for the administration building and Operations Control Center (OCC).*

  Mr. Tahir asked where the OCC is to be located. Mr. Sumann responded that the OCC will be located in the MSF, and a back-up OCC will be located at the City's new traffic control center to be built with non-project funds.

- *Determine the final location of the Maintenance and Storage Facility (MSF).*

  Mr. Berliner stated that the FEIS will show two potential locations for the MSF, and the ROD will identify the preferred location. Mr. Sukys responded that this information should also be included in the reconciliation section.

- *Finalize a contracting packaging plan which includes a source selection plan (s) and contract specific work.*

  Mr. Zweighaft stated the City has a contracting plan that includes contract scope and schedule. The source selection plan is to utilize DB, DBB and DBOM. The City will provide an update on this information to the PMOC by the next meeting.

- *Develop strategies to streamline the City's process to award contracts and to enter into grant agreements, especially as applicable to FTA grants.*

  Mr. Sukys expressed concern that the City's grant application process is lengthy and recommended City authorities streamline the process. Mr. Yoshioka responded that the City is working towards creating a semi-autonomous transit authority. If the RTD becomes a transit agency, they will have the necessary authority. Mr. Hamayasu asked why FTA is concerned about the local grant application process because DTS is following local laws. Mr. Sukys responded it affects technical capacity and awarding the grants in a timely manner and this could place grant funds at risk. Mr. Hamayasu responded this would require a change of local law which currently requires all grant applications be approved by the City Council prior to submittal to FTA. Ms. Kurio stated adoption of a resolution in March 2010 to create a transit authority could be a mitigation measure to resolve this issue because the resolution will identify the proposed transit authority's powers.

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- *Develop a preliminary operation plan.*

  Mr. Van Epps reported that a preliminary Operations Plan has been developed for PE, but it will be updated by March 2010. Mr. Sukys stated the language in the FEIS is not clear in three locations regarding operations. Ms. Miyamoto responded that the FEIS has been corrected.

- *Ensure the service velocity does not erode the next course of design changes.*

  Mr. Zweighaft responded that the City has a mathematical alignment provided to offerors as a contractual requirement which will ensure that this will not happen. Any alignment deviation must be approved by the City.

Project Schedule

- *Provide a baseline of the Master Project Schedule (MPS) early in PE which will be used for monthly progress updates and tracking schedule variances.*

  Mr. Zweighaft stated this has been completed and was provided in the handout materials. Charles Neathery (PMOC) responded the City must choose a date for the FFGA to baseline and track progress. Mr. Zweighaft responded that a date for the FFGA is shown in the baseline schedule, but that tracking of any of these forecast dates is complicated due to the uncertainty surrounding EIS completion issues.

- *Address the utilization manpower and equipment resource loading and budget and cost loading.*

  Mr. Neathery stated once the Quarterly Report is established, this information should be included and tracked for budget. Mark Hickson (PMSC) responded that individual contract schedules are provided by selected contractors and incorporated into the master schedule. These individual schedules are cost loaded.

- *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 procurements, FTA review and comment, detail activities for early construction packages.*

  Mr. Hickson asked for clarification on the nature of this item. Mr. Neathery responded the City must include sufficient time in the MPS for FTA review at key milestones.

- *Develop a right-of-way schedule.*

  Mr. Hickson responded a right-of-way has been developed and is continually being statused and updated.

- *Modify the Work Break Structure to cross over with the project budget and cost breakdown structure.*

Mr. Zweighaft and Mr. Hickson requested clarification on this item. Mr. Neathery responded that a spreadsheet could be used to cross reference the schedule WBS with a budget WBS. Mr. Mantych asked when this would be completed, and Mr. Zweighaft responded by January 2010. Mr. Mantych emphasized this does not need to be completed by January 2010 but in advance of a request for Final Design.

Project Cost

- *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.*

  Mr. Zweighaft responded that a new estimate is being developed, and it will include information from the WOFH DB Contract bid.

- *Escalate the cost estimate in accordance with the MPS.*

  Mr. Van Epps asked how this should be resolved. Mr. Mantych responded that once the MPS is completed this issue can be revisited. Mr. Van Epps responded that he would like to schedule a conference to discuss the issue of escalation.

- *Provide justification and backup documents to support the quantification and assumptions for the "soft costs" and related general conditions of the project.*

  Mr. Tahir stated costs associated with ROW are not yet sufficiently developed. Mr. Mantych responded that the City has started to receive appraisals, which will better assist the City with their estimate.

Technical Capabilities

- *Update the Project Management Plan to bring it into full conformance with FTA requirements, and implement the configuration management and change control mechanism.*

  Mr. Zweighaft mentioned the City is in the process of updating the PMP and Configuration Management Control. Mr. Tahir stated the plans need to show the FD phase. Mr. Tahir stated another important piece is the DB work that will be started soon and needs to be incorporated into the documents.

- *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.*

Mr. Hamayasu stated it is the City's intent to fill all positions and consultants could be used to fill positions. Mr. Mantych stated some positions are better served by the City.

- *Submit a fully developed Rail Fleet Management Plan (RFMP).*

  Mr. Zweighaft responded that the RFMP will be developed after the Core Systems Contract is awarded.

- *Work with the State of Hawaii to establish a State Safety Oversight Agency (SSOA) office to oversee the project.*

  Khalil Allen (PMSC) stated that the Governor identified an agency lead, but due to recent budget issues, activation of the new position has been put on hold. In is anticipated that a letter from the FTA Administrator's office will be sent to the Governor stating the SSOA must be established at this time. Mr. Rogers responded the letter is forthcoming.

- *Have quantifiable metrics for measuring the real status of work, both cost and schedule of all professional service contracts, and any quarterly mitigation agreements for participatory services.*

  Mr. Zweighaft responded this will be competed after the MPS and baseline estimate is updated. Mr. Hickson wanted clarification regarding an interlocal agreement with HDOT. Mr. Mantych responded it was the PMOC's assumption that HDOT would be working on the Project, and a mechanism for reimbursement would be necessary.

- *Develop a Contingency Management Plan which will identify the specific risks, and implement the anticipated mitigation measures.*

  Mr. Tahir this will need to be developed since mitigation strategies were not discussed during the risk assessment. Mr. Zweighaft responded he would like to discuss this issue further.

- *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.*

  Ms. Miyamoto noted that a plan is being developed. A matrix has been established. Mr. Sukys stated another column should be added to the matrix to identify the responsible party.

- *Update and implement the Real Estate and Acquisition Plan, the Bus Fleet Management Plan, the Safety and Security Management Plan, the Quality Management Plan as the project progresses.*

Ms. Marler asked the City to include long term leases. Ms. Ray responded it is being tracked, and the long term leases are identified in the RAMP. The QMP is in the process of being updated and pending a new City hire for this position.

3.3 Key Issues

Mr. Mantych suggested that the group discuss key issues prior to Ms. Marler's meeting with the Deputy Corporation Counsel this afternoon to better assist her.

3.3.1 Letter of No Prejudice (LONP)

Ms. Kurio provided an update on the City's anticipated LONP requests:

- LONP #1 – submit request in November 2009
  - WOFH Guideway DB contract final design & construction
  - GEC2 and other soft costs for WOFH DB final design & construction
- LONP #2 – submit request in January 2010
  - Farrington Station Group final design
  - MSF final design, rail purchase & construction
  - GEC2 and other soft costs for MSF final design, rail purchase & construction

Mr. Tahir asked what the anticipated costs associated with the LONPs would be. Ms. Kurio responded the City is still reviewing anticipated costs. However, it was estimated at $500 million during the meeting.

Mr. Rogers stated that the current financial plan was not adequate to allow the project to advance into Final Design under an LONP at this time. He noted that under a design-build scenario, the FTA cannot consider an LONP for construction activities until Final Design approval is granted. The City must consider an LONP as a system-wide approach, and the financial plan must be sufficient to cover the full project. Mr. Sukys noted FTA's recent Federal Register, dated September 2, 2009, which describes FTA's policy for eligible activities during project phases as PE and Final Design. He noted the need for final design approval before an LONP for construction could be considered.

Ms. Kurio responded the City understands that an LONP is neither a legal or moral obligation by FTA to provide funds in the future so the risk is still on the City. The purpose of an LONP is to maintain federal eligibility. Mr. Rogers replied the approval authority rests with the FTA Administrator. Ms. Kurio asked for guidance from the FTA on how best to proceed. Mr. Sukys stated the City may want to consider reducing the NEPA scope. Mr. Rogers noted that the FTA has stated their concerns about the western alignment being built first with such low ridership projections. Donald Durkee (subconsultant to PMSC) asked if the project qualifies as a Minimum Operating Segment. Mr. Rogers replied this portion was never identified as such.

Upon receipt of the ROD, the City will have pre-award authority to begin utility relocation work. Ms. Marler recommended the City submit a "make the case for an LONP" document to FTA Region IX. This issue would then be presented to the FTA New Starts policy council for a recommendation that could then be elevated to the FTA Administrator for his approval. The items that should be addressed include the effect of the financial plan's use of Section 5307

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funds and starting construction from the west side of the alignment. Mr. Sukys suggested an updated, robust financial plan be submitted to make the City's case more viable.

3.3.2 Buy America Waiver

Ms. Kurio provided an update and presentation on a proposed procedural requirement waiver that was requested for the MSF DB Contract and Core Systems DBOM Contract. The initial waiver request was submitted June 2009. However, a letter from the FTA dated October 18, 2009 denied the City's request. The City did note that the MSF and Core Systems RFPs contain Buy America certificates. The Core Systems proposers will specify which certificate applies to the passenger vehicles, train control system, communication system, traction electrification, and fare vending system.

Mr. Zweighaft noted that a waiver request will possibly be submitted for two prototype vehicles similar to what was done by Sound Transit. Mr. Durkee clarified that the request will be for final assembly only and not components.

3.3.3 Waiver on Performance Bond

Ms. Kurio provided an update on the 100% performance bond waiver request that was submitted for the WOFH DB Contract in February 2009. To date, FTA has not responded to the City's request. It was noted that RFP for this contract contains requirements for only a 50% performance bond due to the capacity of the surety market although the FTA has not provided concurrence on this. The City did state that the MSF and Core Systems Contracts have 100% performance bond requirements in the RFP, and the City does not anticipate seeking a waiver for these contracts

Ms. Marler stated the FTA asked the PMOC to review this issue and provide an analysis of the risk levels of default for different stages of the contract. The City provided the PMOC with a hardcopy and electronic version of an analysis that they performed to support the initial request.

3.3.4 New Starts

Ms. Kurio discussed the New Starts guidance that was published on September 2, 2009. The City submitted a guidance request to FTA Region IX in September 2009 regarding the procurement of design-build and construction management/general contractor contracts prior to Final Design without an LONP. Although FTA has not yet responded to the request, Region IX believes that the City's approach places the project at risk of violating FTA policy.

3.3.5 RFP 2 Document Availability

RTD asked whether the FTA will permit the PMOC to sign a confidentiality agreement. Ms. Marler responded that the FTA and PMOC consultants generally do not sign confidentiality agreements.

She did state that she would review this question and discuss the Hawaii law in a break-out session with the City's Corporation Counsel.

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3.3.6 Safety and Security Update

Khalil Allen (PMSC) provided an update on safety and security issues. Some of the highlights included the following:

- Safety and Security Manager is being filled by a PMSC representative until the position can be filled by the City on a full-time basis.
- City is currently reviewing resumes for additional safety and security staff.
- SSMP was last revised September 24, 2009.
- Safety and Security Oversight Review Committee (SSORC) meets bi-monthly (next meeting on November 19, 2009). Members include the following:
    - RTD
    - GEC
    - Transportation Services
    - Department of Transportation
    - Department of Homeland Security
    - The Bus
    - Emergency Management
    - Emergency Services
    - Honolulu Fire Department
    - Honolulu Police department
    - Guideway and Station Contractor (TBD)
    - Core Systems Contractor (TBD)
    - MSF Contractor (TBD)
- Sensitive Security Information Standard Operating Procedures have been established, and a secure website has been launched.

Mr. Allen provided an update on the following specific issues:

(1) Federal Courthouse Security – A Threat Vulnerability Analysis was submitted to security representatives with findings and recommendations. Responses were received from the Federal Protective Services United States Marshal Service (joint response) and the General Services Administration Region 9. In both cases, the responding agencies did not believe the project will compromise the security of the Federal Courthouse.

(2) State Safety Oversight Agency (SSOA) – The Governor of Hawaii has not designated a SSOA. The FTA issued a letter to the Governor in February 2009 identifying short term requirements for the Hawaii SSO Program. The Governor responded in a letter that the State DOT will designate a SSOA at the appropriate time. The City has met with FTA Safety Team Leader and Region IX representative to discuss the issue, and a response to the Governor of Hawaii is pending. The City continues to take proactive steps including attending the 13th Annual FTA SSO Program Meeting, including DOT representation on the SSORC, and assisting with state legislative policy development.

Mr. Mantych stated that he would like to schedule a conference call to discuss the SSMP and other associated documents with the PMOC safety and security subcontractor to further assist the City.

3.3.7 Third Party Agreements

Mr. Berliner provided an update on the status of third party utility agreements:

- Developed overall Third Party Agreement Plan
- Utility Engineering Services Agreement (by Section)
- Utility Construction Master Agreement (by Section)
- Agreements with Federal Departments (Project wide)
- Agreement with Intergovernmental Agencies (by Section)
- MOUs with City Departments (Project wide)

He also provided a summary of utility coordination efforts:

- Utility Design Coordination:
  - Agencies: Navy, Air Force, DOIM, HDOT, City Departments
  - Companies: HECO, Chevron, Tesoro, TGC, HTI, OTWC, AT&T, SIC, TWTC, PNLI
- Attend Regular Utility Meetings:
  - City Monthly Government and Public Utility Task Force Meeting
  - HDOT Bi-Monthly Utility Coordination Meeting
  - Hawaii Pipeline Corrosion Control Coordination Committee Quarterly Meeting

He then provided an update on the Utility Engineering Service Agreements

- Being circulated within the City for signature
  - AT&T Corporation
  - Chevron Products Company
  - Oceanic Time Warner Cable
  - The Gas Company
  - TW Telecom Inc
  - Sandwich Isles Communications Inc.
- Comments being resolved with Utility Company
  - Hawaiian Electric Company, Inc
  - Hawaiian Telecom, Inc
- Not yet returned by Utility
  - Pacific LightNet Inc
  - Tesoro Hawaiian Corporation

Laura Ray (PMSC) provided an update on the following Intergovernmental Agency Agreements:

- Hawaii Department of Transportation – Undergoing final review
- Hawaii Department of Education (for Waipahu High School) – Draft agreement and Consent to Construct are under internal review
- University of Hawaii (West Oahu Campus) and Leeward Community College – Draft agreement under internal review

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3.3.8 FAA/HDOT Coordination

Mr. Berliner provided an update on the status of the following FAA/HDOT Design Issues:

(1) Mauka (Inter-Island) Terminal

Design Issue
DEIS guideway alignment is within the terminal air-space of the proposed Mauka Terminal as part of the Hawaii Airport Modernization Program. The new Mauka Terminal will replace the existing commuter terminal, extending taxi-way to Nimitz (H1) Freeway. The existing automobile parking area will be replaced by new terminal. Aolele Street widening is planned to accommodate future traffic demands.

Resolution
The alignment was redesigned within the following criteria:

- New alignment must clear the air-space of the proposed Mauka Terminal.
- Alignment would not impact the operational functions of the US Post Office facility.
- Alignment would allow for widening of Aolele Street.

(2) Airport Station impacts to parking and lei stands

Design Issue
HDOT is concerned with impacts to parking and access to lei stands.

Resolution
Guideway columns were placed to avoid existing parking stalls serving the lei stands; access improvements from the proposed Airport Station to Inter-Island Terminal passes by the lei stands, improving walking access the terminal and providing greater pedestrian traffic past the stands.

(3) Guideway alignment impact to access to proposed consolidated rental terminal

Design Issue
New Consolidated Car Rental Terminal will be a four-story structure serving the car rental companies. The issue is to maintain adequate access to the proposed terminal along the mauka (towards mountains) side of the facility.

Resolution
Guideway will be placed within the existing grass median along the makai (towards ocean) side of Aolele Street. Column placement will be designed to allow access from Aolele Street and within the proposed terminal. The new Car Rental Terminal should be constructed before the City's rail project.

(4) FAA runway clearance requirements for runways 22R and 22L

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Design Issue
Recent FAA Design Circular increased the runway protection zone from what was indicated on current Honolulu Airport Plan. Specifically the runway protection zone was increased from 1000 to 1700 feet. This requirement impacts the guideway with Aolele Street and DEIS proposed Lagoon Station.

Coordination
Project staff has met with the FAA and HDOT routinely over the past several weeks to identify impacts and evaluate options to comply with FAA Circular AC 150/5300-13. FAA and HDOT have agreed that the process identified below is acceptable to finalize the guideway design.

- Work with HDOT – Airport to prepare environmental documentation required for the proposed runway relocations
- Work with FAA to acquire approval for infrastructure improvements within Airport flight airspace

Resolution (for FEIS)
Runway 22R will be relocated approximately 750 feet makai (towards ocean) to have the guideway clear the runway protection zone. Runway 22L will be relocated physically or shortened by 300 feet to have the guideway clear the runway protection zone. Lagoon Station will be relocated Ewa to clear the runway protection zone of both runways.

Mr. Berliner insisted that the runway issue was "not a problem" and stated the City provided a proposed letter to Mr. Sukys for proposed mitigation. Mr. Sukys responded that the letter did not provide a solution since the proposed letter did not commit HDOT or FAA to moving the runways, it only commits them to studying the alternative. Mr. Mantych asked if the Salt Lake Alignment could serve as an alternate mitigation if the runways cannot be moved. Mr. Sukys replied that it could be an alternative alignment, but FTA Region IX must discuss the issue with Headquarters to determine whether it is acceptable.

3.3.9 Public Utilities Commission

Mr. Berliner provided an update on coordination with the Public Utilities Commission (PUC). The PUC regulates all franchised or certified public service companies operating in the State of Hawaii including the following that will have an interface with this Project:

- Hawaiian Electric Company
- The Gas Company
- Hawaiian Telcom
- Other communications (AT&T, Sandwich Isles, etc)

Mr. Berliner stated there are two assumptions relative to this project: (1) the City will pay for full utility relocation costs if relocation is caused by the project; and (2) there will be no utility betterments. If betterments are identified in the future, cost allocation will be determined on a case-by-case basis.

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The PUC has approval authority for work associated with these utilities depending on certain criteria. In most cases, the PUC will not be involved since the Project is paying for the relocation costs or the criteria for PUC involvement are not met. To ensure compliance with PUC requirements, all work efforts relative to the PUC are being coordinated with the special PUC counsel hired by the City. Each section will be analyzed to determine if PUC action is required.

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4.0 MEETING SUMMARY – NOVEMBER 5, 2009

The PMOC and the FTA met with the City to discuss and receive a presentation on items associated with the Drilled Shaft Load Test Program performed on the WOFH DB Contract, Pre-proposal information, Station Interface, Alignment, Roadway, Utility Relocation, System Interface and Schedule. The PMOC began reviewing RFP Part 2 of the WOFH DB Contract and the proposal submitted by Kiewit, the selected contractor.

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5.0 APPENDICES

Appendix A: Meeting Agenda

Grantee:	City and County of Honolulu
Project:	Honolulu High-Capacity Transit Corridor Project
Subject:	Preliminary Engineering Kickoff/PMOC Transition
Date:	November 3-5, 2009
Location:	Ali'I Place 1099 Alakea Street, Suite 1700 Honolulu, HI 96813
Participants:	City and County of Honolulu (City) Federal Transit Administration (FTA) InfraConsult – Project Management Support Consultant (PMSC) Parsons Brinckerhoff (PB) – PE/EIS General Engineering Consultant Jacobs Engineering Group (JEG) – PMOC

Tuesday, November 3, 2009

8:30 AM

1. **Opening Remarks**
   - FTA
   - City of Honolulu
2. **Project Management Oversight and Contractor Introduction**
3. **PMOC Transition**
   - PMOC Team Organization and contact information
   - Schedule for Oversight and Quarterly Meetings
4. **Project Status Update (City)**
   - Organization Chart
   - Program Staffing Update
   - Highlights and Achievements
   - NEPA Update
   - Baseline Project
     - Scope
     - Schedule
     - Budget, Expenditure, and Funding
   - Engineering Update
   - Available Documents/Document Update
   - Real Estate Acquisition/Right-of-Way Update
   - Procurement Update
     - Consultant Contracts
       - Project Management Support Consultant
       - PE/EIS General Engineering Consultant
       - General Engineering Consultant II
     - Design-Build Contracts
       - West Oahu/Farrington Highway Design-Build
       - Maintenance and Storage Facility
       - Vehicle Core Systems
   - Community Relations
   - Board Actions

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5. **PE Approval**
   - Items to be addressed during PE (Page 3 of October 16, 2009 letter)

Wednesday, November 4, 2009

8:30 AM

1. **Alignment Tour**
2. **Key Issues**
   - Letters of No Prejudice
   - State Safety Oversight Agency
   - Third Party Coordination (Agency/Utility)
   - HDOT/FAA Coordination
   - Buy America waiver
   - Waiver of the 100% performance bond requirements of 49 CFR Section 18.36(h)
   - Procurement – RFP 2 document availability
   - Regulatory issues
3. **Closing Session**
   - Action Items
   - Look Ahead Schedule (Attachment A)

Thursday, November 5, 2009

Day reserved for continuing review and discussions of individual contracts, as needed.

Note: Breaks, including lunch, will be taken as needed.

Appendix B: List of Attendees

Team Member	Affiliation	Telephone	Email
Leslie Rogers	FTA Region IX	415-744-3133	leslie.rogers@dot.gov
Renee Marler	FTA Region IX	415-744-3133	renee.marler@dot.gov
Nadeem Tahir	FTA Region IX	415-744-3113	nadeem.tahir@dot.gov
Catherine Luu	FTA Region IX	415-744-2730	Catherine.luu@dot.gov
Ray Sukys	FTA Region IX	415-744-2802	Raymond.Sukys@dot.gov
Ted Matley	FTA Region IX	415-744-2590	Ted.matley@dot.gov
Kim Nguyen*	FTA Headquarters	202-366-7081	Kim.nguyen@dot.gov
Wayne Yoshioka	City	808-768-8303	wyoshioka@honolulu.gov
Toru Hamayasu	City	808-768-8344	thamayasu@honolulu.gov
Phyllis Kurio	City	808-768-8347	pkurio@honolulu.gov
Reid Yamashiro	City – Corporation Counsel	808-768-5244	ryamashiro@honolulu.gov
Jesse Souki	City – Corporation Counsel	808-768-5135	jsouki@honolulu.gov
Paul Romaine	City	808-768-6184	promaine@honolulu.gov
Richard Torres	City	808-768-6186	Rtorres1@honolulu.gov
Jerry Iwata	City	808-768-6192	jiwata@honolulu.gov
Faith Miyamoto	City	808-768-8350	fmiyamato@honolulu.gov
Frank Doyle	City	808-768-3401	fdoyle@honolulu.gov
Simon Zweighaft	InfraConsult (PMSC)	808-768-6158	zweighaft@honolulu.gov
Harvey Berliner	InfraConsult (PMSC)	808-768-6123	Berliner@infraconultllc.com
Wes Mott	InfraConsult (PMSC)	808-768-6155	wmott@honolulu.gov
Laura Ray	InfraConsult (PMSC)	808-768-6165	lray@honolulu.gov
Jurgen Sumann	InfraConsult (PMSC)	808-678-6166	jsumann@honolulu.gov
Mark Hickson	InfraConsult (PMSC)	808-348-4353	mhickson@honolulu.gov
Khalil Allen	InfraConsult (PMSC)	808-768-6194	Kallen1@honolulu.gov
Judy Aranda	InfraConsult (PMSC)	808-768-6120	aranda@infraconsultllc.com
Ken Caswell	InfraConsult (PMSC)	808-768-6188	kcaswell@honolulu.gov
Don Durkee	Subconsultant (PMSC)	202-744-1896	donalddurkee@sprintmail.com
Jim Van Epps	PB (GEC)	808-768-6157	vanepps@pbworld.com
Mark Scheibe	PB (GEC)	808-768-6156	scheibe@pbworld.com
James Dunn	PB (GEC)	808-768-6125	dunnj@pbworld.com
Kerry Stevenson	PB (GEC)	808-694-3259	stevensonk@pbworld.com
Art Borst	PB (GEC)	808-694-3225	borst@pbworld.com
Martin Hall	PB (GEC)	808-694-3226	hallmark@pbworld.com
Tim Mantych	Jacobs (PMOC)	314-335-4454	tim.mantych@jacobs.com
Bill Tsiforas	Jacobs (PMOC)	702-210-9425	William.tsiforas@jacobs.com
Tim Morris	Jacobs (PMOC)	214-424-7506	tim.morris@jacobs.com
Charles Neathery	Jacobs (PMOC)	214-424-7519	charles.neathery@jacobs.com
Arun Virginkar*	Virginkar & Associates (Jacobs PMOC)	714-256-4400	Virginkar.arun@va-inc.com

*Participated via teleconference.

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Appendix C: PE Approval Letter Items

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		Matrix required; copy of the Engineering Services Agreement matrix given to PMOC. Need to also develop matrix for the other agreements.
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	Ongoing		
3	Fully develop vehicle basis of design and functional sizing	JS	Mar-10		PMOC will review selected proposal to determine whether it meets operational criteria
4	Determine rail fleet size requirement	JS	Mar-10		
5	Fully develop scope for the administration building and operations control center	JS / HLB	Jul/Aug-10		
6	Determine the final location of the maintenance and storage facility	FM			Address in FEIS reconciliation table
7	Finalize a contracting packaging plan which includes a source selection plan(s) and contract specific work plans	SZ	Jan-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	Apr-10		After third reading of the resolution; Submit Charter amendment proposal for transit authority to FTA.
9	Develop a preliminary operation plan	JS	Mar-10		After operations peer review
10	Ensure the service velocity does not erode over the next course of design changes	JS	Mar-10		
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	Jan-10	29-Oct-09	Uploaded to ProjectSolve site including horse blanket schedule
12	Address the utilization manpower and equipment resource loading and budget and cost loading	MH	Jan-10		

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No.	Item	City Responsible Person	Date Due	Completion Date	Comments
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	Jan-10		
14	Develop a right-of-way schedule	MH	Jan-10		
15	Modify the Work Breakdown Structure to cross over with the project budget and cost breakdown structure	MH	Jan-10		
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 genial 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	Feb-10		
17	Escalate the cost estimate in accordance with the MPS	MH	Jan-10		
18	Provide justification and backup documents to support the quantification and assumptions for the "soft costs" and related general conditions of the project	MH	Feb-10		
Technical Capacity					
19	Update the Project Management Plan to bring it into full conformance with FTA requirements, and implement the configuration management and change control mechanism	SZ	Jan-10		Initial update in Jan-10; later update required before entry into Final Design
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	Jun-10		

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No.	Item	City Responsible Person	Date Due	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		
22	Submit a fully developed Rail Fleet Management Plan	JS	Apr-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	Apr-10		
24	Develop a Contingency Management Plan which will identify the specific risks and implement the anticipated mitigation measures	SZ	Apr-10		Will discuss at Jan-10 meeting
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	Jan-10		
26	Update and implement the following plan:				Will discuss at Jan-10 meeting
	Real Estate and Acquisition Plan	JI	TBD		
	Bus Fleet Management Plan	PK	Jun-10		
	Safety and Security Management Plan	KA	TBD		
	Quality Management Plan	SZ	TBD		

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Appendix D Action Items

Item No.	Item	Responsible Party	Date Identified	Date Due	Date Completed	Status
1	Provide Quarterly Report samples	PMOC	4-Nov-09	Dec-09		Open
2	Provide staffing plan examples	PMOC	4-Nov-09	Dec-09		Open
3	Provide organization chart with names	City	4-Nov-09	4-Nov-09	4-Nov-09	Complete
4	Provide video link of Mayor's virtual tour	City	4-Nov-09	4-Nov-09	4-Nov-09	Complete
5	Provide presentation of what is described in the FEIS for the airport and analysis of Master Plan for the Airport	City	4-Nov-09	Nov-09		Open
6	Provide interagency agreement matrix	City	4-Nov-09	Jan-10		Open
7	Schedule real estate workshop	PMOC	4-Nov-09	Dec-09		Open
8	Provide FTA with City Auditor report	City	4-Nov-09	Nov-09	4-Nov-09	Complete
9	Provide FTA with "making the case" approach letter for LONP	City	4-Nov-09	Nov-09		Open
10	Provide FTA with a report on reduction of performance bond requirements	PMOC	4-Nov-09	Dec-09		Open
11	Provide FMOC comments to Financial Plan	FTA	4-Nov-09	Nov-09		Open
12	Provide FTA with letter to newspaper editor	City	4-Nov-09	4-Nov-09	4-Nov-09	Complete
13	Provide PMOC with CD of slide presentation	City	4-Nov-09	4-Nov-09	4-Nov-09	Complete
14	Provide FTA with OCIP Bid Protest notification	City	4-Nov-09	TBD		Open

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Appendix E: Look Ahead Schedule

JACOBS PMOC WORK PLAN Period: December 2009 – February 2010		
ACTIVITY	**TEAM**	**DATE**
WORK ORDER 2 – HONOLULU		
Monthly Progress Meeting (Conference Call)	Mantych, Tsiforas, Neathery, Morris, Virginkar	December 16, 2009 (tentative)
Monthly Progress Meeting	Mantych, Tsiforas, Morris, Virginkar	January 13-14, 2010
Monthly Progress Meeting	Mantych, Tsiforas, Morris	February 2010 (TBD)

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