From: Hamayasu, Toru
To: 'james.ryan@dot.gov'
Sent: 4/7/2009 10:55:24 AM
Subject: FW: LONP Requirements

Jim,

This is what we sent to Ron about the LONP. Don Durkey has drafted this into a mock LONP so he can show you how he integrated this list.

Toru

From: Zweighaft, Simon
Sent: Tuesday, April 07, 2009 10:46 AM
To: Hamayasu, Toru
Subject: FW: LONP Requirements

I believe you requested this yesterday.

From: Zweighaft, Simon
Sent: Wednesday, November 12, 2008 5:42 PM
To: 'ronald.fisher@dot.gov'
Cc: Hamayasu, Toru
Subject: LONP Requirements

Hello Ron:

Toru asked that I send you a copy of the attached memorandum which describes our view of work which would be included the LONP that we expect to request for the first six months after ROD. (The memo was composed a couple of months ago.)

Regards,

Simon

Toru:

As you know, we are currently making progress towards receiving a Record of Decision in the Fall of 2009. We are also working hard on design-build procurement documents in order to proceed with work by design-build construction and systems supply contractors immediately following that milestone. At your request we have met with PB to identify work activities that should proceed ahead of a full funding grant agreement (FFGA) since, according to our current schedule, the FFGA milestone will not be achieved until we are well into final design.

Our preferred approach will be to award the initial construction and systems contracts in 2009 or very early 2010 and to give each contractor a limited notice to proceed covering Final Design and limited mobilization efforts. It is intended that these costs will be capped and that no work will be authorized on basic construction or manufacture. Since the work will be procured on a design-build basis, however these contractors must be allowed to undertake some final design in order for us to develop the information necessary for agreement to be reached on an FFGA. This work can begin with local funds, but it is anticipated that an LONP will be sought to ensure that FTA agrees with starting these activities. The following paragraphs describe each activity and costs which we think should be included in an LONP. These would cover the first six months of effort following the ROD.

1. General Construction Manager--$25,000,000
We intend that the City be supported by another consulting team similar to our current General Engineering Consultant group once the EIS is approved. This would be a very large consultant effort for oversight and management of final design, procurement and construction management. The current GEC contract cannot be extended into this phase because our current

GEC was responsible for preparing the EIS documents. The overall value of this effort would be in excess of $200 million and it would last through start-up of the last segment of the First Project. Within the first six months of this contract the GCM would mobilize, establish project procedures and oversee final design by the initial design-build contractors and the system supplier. When we later select individual designers for design-bid-build elements this group would oversee that work as well although it is planned that these designers will be selected by and contract directly with the City.

2. City Costs--$5,000,000

The City costs would cover City staff to manage and oversee the project during this pre-FFGA period. It is also possible that a Program Management Support Consultant will be required if it is determined that the City still needs to supplement its skills at that time.

3. Guideway Final Design and Construction Planning--$20,000,000

This would be for services performed by the guideway design-build contractor(s) (GDBC) of the first 6-miles in preparation to undertake construction once authorization is obtained. Roughly $20,000,000 is anticipated to progress the design to a level where the contractor can begin to order materials and make arrangements for onsite mobilization of his major construction equipment. As a part of construction planning they will also develop and execute their subcontracts, begin the permitting process, and prepare a comprehensive set of their own management procedures for the upcoming construction activities. (This includes mobilization costs such as setting up their Project office and bringing senior staff to Honolulu) The design build construction contract will contain an initial design phase milestone with will limit work conducted to these activities and any others mentioned in this report which are approved.

4. Station Design--$3,000,000

Final designs would be initiated during this first six months for the West Loch, Waipahu the Pearl Highlands stations. Our plan is that each station design will have at least one year overall duration, but in order to meet our planned bid dates, it would be necessary for this work to be started within the six month period after the ROD.

5. Soils Testing, Potholing and Surveying--$10,000,000

In developing detailed designs, the GDBC of the first 6 miles will need to proceed with further soils investigations, undertake some potholing to locate utilities and undertake surveying for utility relocations, permits and other features to be shown on the design drawings in greater detail than will have been provided during preliminary engineering

6. Gantry Fabrication and Assembly--$8,000,000

In the event that the selected GDBC does not already have two existing erection gantries for the segmental construction, this fairly expensive equipment will need to be designed and fabricated. The equipment would be useable on other projects, so it is not particularly unique to the Honolulu program, but precluding contractors from getting an early start on this equipment might severely limit competition to only those contractors who already have such suitable equipment. Other contractors would amortize the cost of the equipment over their contracts, but it is likely they would be unable to meet our schedule requirement if this mobilization cost were not available to them. It is possible that we could do without such mobilization costs, but it is feared that this would drive up the cost of the guideway procurement by significantly limiting competition for this design-build work.

7. West Oahu Construction Access Road--$5,000,000

About two miles of the West Oahu segment runs through open farmland which is crossed by a number of dry streams and gulleys. While not overly hilly, the route is also not safe and accessable for over the road vehicles. A dirt access road is needed across this property for access during the design phase for surveying and soil sampling purposes. We desire to build this road to a standard adequate to also be used in subsequent construction phases for access by heavier construction equipment.

8. Maintenance Facility Final Design--$3,000,000

As with the initial guideway contract, the maintenance facility will be procured on a design-build basis. The proposed $3,000,000 LONP is intended to cover the first six months of design effort for this facility so that final design may be initiated.

9. Maintenance Facility Earthworks--$6,000,000

The planned maintenance facility Navy Drum Site is on a slight downgrade of 6% sloping towards Pearl Harbor. By the time of the ROD this site will be City owned land as a result of a public agency land swap that is taking place regardless of whether the project proceeds. The City intends to use this site for other maintenance yard purposes in the event it is not used for the project. In order to make the site useful, approximately 350,000 cubic yards of earth will be moved from the high end of the slope to the low end. This may be considered a City project of independent utility, but proceeding with it on an early basis will allow the maintenance base to be constructed according to project needs if the project is ultimately approved.

10. Systems Final Design--$5,000,000

The rail vehicles, train control, communications and traction power systems for the project will be procured on a design-build basis with the suppliers of these equipment elements conducting the final design. An initial final design phase milestone in the Systems contract(s) will be establish to limit initial funding to design activities.

11. Insurance Program--$2,000,000

We intend to include the design-build contractors in an overall Owner Controlled Insurance Program (OCIP). Since the contractors are anticipated to be getting their initial funding authorizations within the framework of an LONP, we need to acquire our OCIP administrator and that company will need to procure the insurance and establish the insurable risk procedures for the all of the contracts which will be in force during the time covered by the LONP

12. Right-of-Way--$30,000,000

An LONP will be requested so that we may continue the real estate acquisition process once the ROD has been received. Given the reasonable prospect of the project proceeding it is unfair to leave affected property owners under a cloud for a long period of time while the project proceeds. Authorizing land acquisition following ROD is simply a fair way for the City to act towards these members of the community. All acquisition and relocation activities will be conducted in accordance with the Uniform Act in any event and those procedures, once initiated, may also take a long period to reach final resolution.

I should also point out that, with our design-build, we should have final pricing on about 30% of the guideway, 100% of the maintenance facility and almost all of the systems elements within a short time period after ROD. This will account for approximately one third of the total capital cost and will also be good guidance for the remaining costs we are likely to experience. Hopefully this will allow us to reduce the time between ROD and FFGA because it will be easier to establish the total project costs with a reasonably high degree of confidence.