



HONOLULU AUTHORITY for RAPID TRANSPORTATION

**Board of Directors Meeting
Kapolei Hale, Conference Room B
1000 Uluohia Street
Kapolei, Hawaii 96707
Thursday, June 19, 2014 9:00 am**

MINUTES

PRESENT:	Donald Horner	William “Buzz” Hong
	Michael Formby	Carrie Okinaga
	George Atta	Ivan Lui-Kwan
	Keslie Hui	Damien Kim
	Ford Fuchigami	Robert “Bobby” Bunda

ALSO IN ATTENDANCE: (Sign-In Sheet and Staff)	Daniel Grabauskas	Lorenzo Garrido
	Brennon Morioka	Russell Honma
	Diane Arakaki	Gail Jennings
	Michael McGrane	Allison Andrade
	Duane Sayers	Cindy Matsushita
	David Sagherian	Joyce Oliveira
	Gary Takeuchi	Andrea Tantoco
	Joyce Oliveira	Karley Halsted

I. Call to Order by Chair

HART Board Chair Ivan Lui-Kwan called the meeting to order at 9:01 a.m.

II. Public Testimony on All Agenda Items

Mr. Lui-Kwan called for public testimony. There was none.

III. Approval of the Minutes of the May 15, 2014 Board of Directors Meeting

Mr. Lui-Kwan called for the approval of the minutes of the May 15, 2014 meeting of the Board of Directors. There being no objections, the minutes were approved as circulated.

Mr. Lui-Kwan welcomed Interim State Department of Transportation (HDOT) Director Ford Fuchigami, the newest member of the HART Board of Directors. Mr. Fuchigami stated that he most recently headed HDOT’s Airports Division, and had worked with HART Deputy Executive Director Brennon Morioka on the Airport station.

IV. Presentation on Right of Way Recovery Plan

HART Executive Director and CEO Daniel Grabauskas said that due to the injunction on real estate activities which had been lifted in February, the rail project was now faced with a compressed schedule.

HART Director of Planning and Right of Way (ROW) Elizabeth Scanlon introduced Deputy Director of ROW Morris Atta and Assistant Deputy Director of ROW Dean Yogi, who would be presenting the ROW Recovery Plan, a copy of which is attached hereto as Attachment A. Mr. Yogi stated that he had performed property acquisitions, appraisals and relocations with HDOT for 35 years, and had also worked for the City and County of Honolulu in property acquisitions.

Ms. Scanlon stated that once the federal injunction was lifted on February 18, 2014, ROW acquisition efforts were accelerated. The goal was to obtain site control of all remaining 146 properties by the end of the year. HART would achieve that by increasing staff, information management tools, the utilization of consultant support, and working closely with property owners and the community. HART would balance respect for property owners with the project schedule and budget, and noted the changing real estate market.

She noted that of 213 total properties needed, 67 had already been acquired, leaving 146 properties remaining. Of those properties, 90% are in the City Center section, one-third are in the Dillingham section (where activities started the previous year with the partial lifting of the injunction). Less than 12 properties were in the Airport section.

Mr. Grabauskas said that HART was in discussion with landowners for almost all properties. Board member Donald Horner requested that more detailed information on pending properties be shown, such as partial and full takes. Mr. Atta noted that the pending properties were subject to change, depending on final design, and noted that a few properties were not originally included in the FEIS.

Mr. Horner requested the budget for acquired properties versus what was spent. Mr. Grabauskas noted that HART was under budget for the acquired properties. He said that staff would provide information on property owners, tax map key, square footage, and description of parcels. Staff would also provide a breakdown of parcels already acquired and budget vs. actual.

Mr. Atta said that of the 67 acquired parcels, 38 were owned by the government. Of those still to be acquired, 29 are owned by the government. Of the remaining properties to be acquired, there are instances where multiple properties are owned by a single landowner. He said that most of those remaining properties are partial acquisitions.

Mr. Horner noted that he had received many inquiries about the Blood Bank, and noted that HART must follow many rules in acquiring properties because of the monies involved. He noted that real estate was not a large item in HART's budget, relatively speaking.

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Mr. Lui-Kwan asked how difficult acquiring the properties by the end of the year would be. Mr. Grabauskas said that there are some parcels identified as important and/or difficult, but that access would be required for construction.

Mr. Horner asked if there was a contingency for real estate acquisitions. Ms. Scanlon said that there was no line item for real estate contingency, but that a portion of the budget had been set aside for contingency. Mr. Atta said that for the 67 parcels already acquired, HART was under budget by approximately \$5 million.

Board member Robert “Bobby” Bunda asked how many properties are owned by government entities. Mr. Atta said that of the remaining properties, only 29 are government owned. Ms. Scanlon added that on the west side, there were more public owners, whereas the owners on the east side were mostly private.

Mr. Horner noted that most of the alignment would go through City or State streets, so takings would be mainly limited to where the columns touched down. Mr. Grabauskas said that many acquisitions would be strip takings of perhaps a few feet, to accommodate road widening because of column construction where there is no median. Ms. Scanlon noted that strip takings take as much time and effort as full takes.

Board member Carrie Okinaga noted that as a parcel by parcel budget analysis would give away HART’s negotiating position, she suggested a sum total by segment. She asked if all of the identified property owners had been notified of the acquisition, and Mr. Atta confirmed that all property owners for parcels in the FEIS had been notified. However, there were a handful of properties not in the FEIS that are in the process of being notified.

Mr. Horner asked of the 67 acquired parcels, how many had been acquired by eminent domain. Ms. Scanlon said that none had, although eminent domain proceedings had been instituted in two parcels. Mr. Grabauskas added that when the original alignment had been designed, all property owners had received notification letters. However, refinement of the design resulted in additional properties being identified, as well as removal of some properties from the list. For instance, HART was able to design around a building owned by Howard Hughes, which resulted in a significant savings.

Board member Michael Formby asked whether it was necessary to record acquisitions with the Department of Land and Natural Resources. Ms. Scanlon said that the objective would be site control. Mr. Formby noted the impact that construction delay costs would have to the project.

Ms. Scanlon reviewed the recovery schedule for the Board, and noted the potential for eminent domain when there was disagreement over value, title issues, or for schedule preservation. She said that although eminent domain would be a possible mitigation strategy for schedule preservation, HART would continue negotiations with landowners throughout the process. The work plan for acquisition includes rights of entry, concurrent surveys and appraisals, and the judicious use of eminent domain. Ms. Scanlon said that HART and the City Corporation Counsel was examining the utilization of voluntary use and occupancy agreements, which would exchange irrevocable rights of entry for a percentage of the offer value. In Texas, where these agreements had been employed successfully, up to 90% of the

offer value has been tendered; HART was examining an appropriate use of this approach for the rail project. She noted that this mechanism does not waive eminent domain rights.

The work plan for relocation involves early initiation and working with the party to be relocated every step of the way and providing support. Mr. Atta added that business occupants are entitled to moving expenses, as well as a \$2,500 search fee reimbursement for locating replacement property. Also available is a \$10,000 benefit for marketing and reestablishing the business.

Ms. Scanlon said that the increased effort would be accomplished with increased staffing. There would be a total of six acquisition agents, and a total of seven relocation agents. Three more temporary clerical staff would be added, as well as survey mapping and appraisal consultant support. Many positions would be local, but some would be from the mainland, because of the need for expertise in the federal acquisition and relocation process. HART would also utilize its consultant's web-based information management tool, which would enable coordination and efficiency at a low cost.

The overall project ROW budget is \$222 million, with \$61 million already spent, and \$161 million remaining.

Mr. Horner asked if the administrative costs were capitalized. Mr. Grabauskas said they were, as they were part of the project budget, not the operating budget.

Board member William "Buzz" Hong asked if the additional ROW staff would enjoy government benefits. Mr. Atta replied that the additional positions would be employees of HART's real estate consultant. Mr. Horner asked if those additional amounts would come before the Board as a change order, and Mr. Grabauskas said the Board would see that change order the following month. Ms. Scanlon noted that the contract amendment for the real estate consultant was estimated at \$3.5 – 5 million. Mr. Hong asked if that amount would come from the contingency. Ms. Scanlon said that was still being discussed. Mr. Horner asked to see a breakdown of the cost when it is presented to the Finance and Project Oversight Committees. Ms. Okinaga said that the number of expected condemnations should be discussed with the Corporation Counsel department. Mr. Grabauskas agreed, and said that HART had been in communication with the Federal Transit Administration (FTA) as well, as appraisals valued over \$500,000 would need to be reviewed by the FTA.

Mr. Hong asked whether efforts under the recovery would end in March 2015. Mr. Atta replied that the end date would depend on how many contested acquisitions were involved. Mr. Hong asked what the contested time frame was. Deputy Corporation Counsel Gary Takeuchi said there are many different factors involved, so there is no "normal" length of time for the process. Mr. Grabauskas said that the Board would hear monthly ROW updates.

Mr. Hong asked if any residential parcels would be acquired. Mr. Atta replied that there are possible residences in business properties that are under consideration for acquisition. Mr. Hong asked for updates on those residences. Mr. Atta agreed, and clarified that the potential acquisition is a business, but that it was recently discovered that people were living there. The parcel was originally identified as a partial take, but could be converted to a full take because of the magnitude of impact to the landowner and the business. Mr. Horner noted that

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HART was taking the minimum amount of land required for the project. He asked for a separate line item for excess land and revenue.

Mr. Lui-Kwan commended Ms. Scanlon, Mr. Atta and Mr. Yogi on the detailed plan. He called for public testimony.

Russell Honma provided testimony congratulating Mr. Fuchigami on his new position, as well as on the possible rail extension to the University of Hawaii.

V. Discussion of Proposed Limited Meeting

Mr. Lui-Kwan stated that the full Board would discuss a tour of the sites of the guideway and 21 stations, including construction sites. He said that section 92-3.1 of the Sunshine Law specifies that limited meetings are possible if the meeting is necessary but the location is dangerous to health or safety, or if an on-site inspection is necessary and public attendance is impractical. Mr. Bunda stated that the recent virtual tour given by HART Director of Design and Construction Lorenzo Garrido clarified many issues for him. Mr. Grabauskas stated that seeing the station sites would make it easier for Board members to conceptualize what is underway and planned.

Ms. Okinaga asked if the limited meeting rule was a recent amendment to the Sunshine Law. Mr. Takeuchi said that it was not recent, and is in place so that in some situations limited meetings can occur when the requisite determinations are made by Sunshine Law bodies. Once the Board determines the need for such a meeting, the Office of Information Practices would then be consulted. Mr. Lui-Kwan said that the determination would be an action item for the next meeting.

VI. Adoption of Executive Director and CEO's Evaluation

Ms. Okinaga said that the Executive Director and CEO's evaluation report documents the evaluation discussion that occurred at a prior meeting. A copy of the evaluation report is attached hereto as Attachment B. Ms. Okinaga noted that the future performance objectives were not being voted on.

Ms. Okinaga moved for adoption of the evaluation, and Mr. Bunda seconded the motion. All being in favor, the motion carried unanimously. Ms. Okinaga noted that Mr. Grabauskas had authorized the release of the evaluation report following its adoption.

VII. Discussion of Chair's Annual Report to the Mayor and City Council

Mr. Lui-Kwan said that the Revised Charter of the City & County of Honolulu requires that the Board make an annual report to the Mayor and the City Council. The reporting period will be July 1, 2013 to June 30, 2014. A draft report would be circulated, and the report would be finalized at the next meeting, for submission to the Mayor and City Council.

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VIII. Adoption of FY2015 Business Plan

Mr. Grabauskas said that following the previous Board meeting, members' comments were incorporated into the draft FY15 Business Plan. A copy of the Business Plan is attached hereto as Attachment C.

Mr. Lui-Kwan called for a motion for adoption of the Business Plan. Mr. Hong so moved, and Board member Damien Kim seconded the motion. All being in favor, the FY15 Business Plan was unanimously adopted.

IX. Adoption of FY2015 Operating and Capital Budgets

- A. Public Hearing
- B. Decision-making

Mr. Horner said that the Charter specifies that the Board approve the operating and capital budgets, both of which had been submitted to the City Council for input. He stated that there had been public hearings before the HART Finance Committee and the City Council. Mr. Horner expressed his concern that the Board of Directors needed more information than a resolution to adopt the FY15 budgets. A copy of the resolution is attached hereto as Attachment D.

HART Chief Financial Officer Diane Arakaki stated that the Finance Committee had approved the budgets, which had not changed. Mr. Horner said that the full Board had not yet seen the information. Mr. Formby agreed. Board member Keslie Hui said that the budget had been in process for several months, at HART, then at the City Council. Mr. Bunda also recalled that the HART Finance Committee had held a public hearing.

Mr. Lui-Kwan called for a recess at 10:24 for copies of backup budget documentation to be made.

The meeting resumed at 10:34.

Mr. Hui noted that Exhibits A and B to the resolution were the operating and capital budgets, with the same figures as presented to the HART Board of Directors in November 2013.

Mr. Lui-Kwan opened the public hearing. There was no testimony. Mr. Lui-Kwan closed the public hearing.

Mr. Hui moved for adoption of Resolution 2014-1 with the addition of the exhibits. Mr. Horner seconded the motion, which carried unanimously.

X. Discussion of the May Monthly Progress Report

Mr. Grabauskas introduced HART Project Controls Manager David Sagherian, who would be presenting highlights of the May Monthly Progress Report, a copy of which is attached hereto as Attachment E.

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Mr. Sagherian said that the May report includes requested appendices. For instance, page 77 included information on change order drawdowns. Pages 98 – 99 include indices for key commodities.

In construction, the hundredth column was erected the previous week. Forty percent of the columns and 50% of the foundations in the first ten miles of the alignment were complete, with four spans of guideway erected.

Mr. Hui asked about the blue line on the commodities indices, and Mr. Sagherian said that the blue line represents January 2009 prices. He noted that contracts contain a 10 percent margin for fluctuation in price.

Mr. Horner asked how many commodities the indices cover, and Mr. Sagherian replied that all commodities were covered. Mr. Horner noted that asphalt prices were not included. Mr. Garrido clarified that the indices represent contracts priced by Kiewit. He stated that if a commodity fluctuated between zero and ten percent, there would be no adjustment for the contractor under the contract, and HART could seek a credit. The contractor would be entitled to an adjustment for any fluctuation above ten percent.

Mr. Horner asked about the steel change order approved by the Board two years prior. Mr. Garrido said that the contract for the entire 20 miles of steel did not include an index reference, so HART paid for the entire increase in price. Mr. Grabauskas confirmed that risk has been eliminated, and that HART has received all the steel. He agreed that asphalt was a commodity that should be tracked.

Mr. Hui suggested including data that reflects the difference in commodity prices at the time of the Full Funding Grant Agreement versus present prices, and how HART was dealing with the difference. He also suggested showing the risks for existing contracts, and future contracts. Mr. Grabauskas stated that staff would discuss how best to represent that data, perhaps including the budgeted amount, engineer's estimate, and actual marketplace price. He said that risks are continually evaluated.

Mr. Horner said that the elimination of the 10% cushion must be quantified. He asked when the agency's risk assessment would be presented, and Mr. Grabauskas said it would be presented in July, and that commodity prices would be part of the presentation. Board member Damien Kim asked when construction would catch up to the schedule. Mr. Garrido said that he expected HART to approach the planned schedule in the fall. Mr. Formby asked about the risk of the traction power sub station. Mr. Garrido said that the issue related to coordination with Hawaiian Electric Co. and service delivery, which is a critical item.

Mr. Horner asked about the \$400,000 figure under Disadvantaged Business Enterprise (DBE) on page 65. Mr. Grabauskas said that was the amount paid to DBE companies, as each contract has a DBE goal. He reminded the Board that prior to the execution of the FFGA, the DBE goal was 3.5%, and approximately half of the outstanding contracts were let under that standard. However, contracts currently being let follow the current program DBE goal of 13%. He noted that the Industry Day forums were designed to pair up small local businesses with large contractors.

Ms. Okinaga questioned the utility of the quarterly balanced scorecard, since the monthly progress report provides the most updated information. Mr. Horner said that the balanced scorecard was needed while the project was in construction. Mr. Grabauskas said one benefit of the balanced scorecard was for historic documentation, and he expected that when the project is in operations, the monthly reports would continue. Mr. Grabauskas reported that GET surcharge revenues for the first quarter of 2014 were \$43 million, and that the second quarter figures would be expected in the next few weeks. Page 16 indicates that the total GET surcharge revenues are \$28 million less than planned, which is an improvement over previous quarters.

Mr. Hong asked about the status of the nine station group construction procurement. Mr. Garrido said it was in progress and should be completed by September. Bids close in August. Mr. Grabauskas added that in addition, the Pearl Highlands parking garage procurement would occur in two steps: qualification and procurement. The Airport/City Center guideway procurement would begin in July. The construction procurement for the four Airport stations would go out in October or November of 2014. In 2015, the eight City Center stations construction procurement would occur.

Mr. Horner asked if the Airport stations package would include access ramps to the airport. Mr. Garrido said the ramps would be included in the second ten miles of guideway. Mr. Hong asked how much savings HART would realize by bundling the station contracts. Mr. Garrido said he would provide that information to Mr. Hong.

XI. Quarterly Balanced Scorecard Update

Mr. Grabauskas solicited comments and questions from the Board members, and noted that the data is as of a couple of months ago. There were no questions or comments. A copy of the Balanced Scorecard is attached hereto as Attachment F.

XII. Construction and Traffic Update

Mr. Garrido introduced West Oahu/Farrington Highway (WOFH) Project Manager Karley Halsted, HART Information Specialist Scott Ishikawa, and Kiewit's Allison Andrade, who would present on the status of construction and traffic. A copy of the presentation is attached hereto as Attachment G.

Mr. Garrido reported that at the Maintenance and Storage Facility, progress continued on the Operations and Service Building and Maintenance of Way buildings, as well as on utilities. Ms. Halsted reported that in the WOFH section, over 500 precast guideway segments had been completed. Mr. Hui asked how many segments were expected to be cast, and Ms. Halsted said 5,200 segments would be needed for the first ten miles. She reported that utilities were 40% done in the WOFH section, and that the north access underpass was up. She reported that shaft and column work continued. The footing had been poured for the balanced cantilever, and the column rebar cage had been erected. Mr. Bunda asked how high the balanced cantilever would be, and Ms. Halsted said she would get that information to the Board. Segment erection continued in Hoopili, and shaft work continued for the Hoopili station.

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Ms. Halsted reported that in the Kamehameha Highway Guideway (KHG) section, crews were demobilizing after finishing test shaft 12. Work on test shaft 15 continued, along with utility and roadway widening work. She reported that Kiewit was utilizing crash trucks at work sites to increase jobsite safety.

Mr. Ishikawa reported that HART had received no complaints regarding the Farrington Highway closure or the Fort Weaver Road detour.

Ms. Andrade reported on closures on Farrington Highway and Kamehameha Highway for balanced cantilever construction, utility relocation, and test shaft work.

HART Deputy Executive Director Brennon Morioka provided a briefing on traffic coordination with other government entities, as work on the rail project was scheduled concurrently with other road work. Mr. Morioka said that weekly traffic mitigation meetings were being held with stakeholders from the City Department of Transportation Services, the State Department of Transportation (HDOT), and HART. Other stakeholders would be included in the future as needed. In addition to coordination, the group focused on sharing work zones and minimizing work areas. Mr. Morioka said that an HDOT employee was co-located in HART's Waipahu field office for coordination purposes.

Mr. Formby expressed his appreciation for the open communication between entities.

XIII. Executive Director and CEO's Report

Mr. Grabauskas reported that HART staff would be making a presentation on risk mitigation in July. The presentation would include information on commodities and the escalation of costs due to lawsuits.

He reported his attendance at the American Public Transportation Association rail conference that month. Mr. Grabauskas said he made presentations at two forums, and attendees expressed much interest in the project because of its driverless technology.

Mr. Grabauskas reported on two recent milestones: the erection of the hundredth column, and the erection of the first guideway spans.

Mr. Grabauskas reported on gifts made to the rail project, which included the subsidy of a trip to London for him to speak at the MetroRail conference, as well as donations for the Art with HART anti-graffiti project. Mr. Grabauskas then screened a video of the Art with HART project, which transformed a HART-owned building that was the target of vandalism into a work of art. High school students from three local schools participated in the project to paint a mural depicting their community.

XIV. Election of Board Officers, Effective July 1, 2014

Mr. Lui-Kwan said that the Board of Directors' Rules and Operating Procedures at rule 2.2A require the annual election of Board officers. He invited motions for the nomination of Chair and Vice Chair for FY15.

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Mr. Kim made a motion for Mr. Lui-Kwan to be re-elected as Board Chair. Mr. Bunda seconded the motion. All being in favor, the motion carried unanimously.

Mr. Horner voiced his appreciation of Mr. Lui-Kwan's leadership. He opined that a two-year term was preferable to a one-year term, and Board member George Atta agreed.

Mr. Formby made a motion to re-elect Mr. Horner as Vice Chair. Mr. Hong seconded the motion. Mr. Lui-Kwan acknowledged Mr. Horner for his efforts regarding HART's debt financing, and expressed his appreciation for their partnership in the previous year. Mr. Horner acknowledged the work of Gary Kurokawa and Nelson Koyanagi of the Department of Budget and Fiscal Services. Ms. Okinaga thanked both Mr. Lui-Kwan and Mr. Horner for their leadership, and for keeping the Board engaged and in communication with Mayor and City Council. The motion carried unanimously.

XV. Executive Session

There was no need for executive session.

XVI. Adjournment

Mr. Lui-Kwan adjourned the meeting at 11:45 a.m.

Respectfully Submitted,

Cindy Matsushita
Board Administrator

Approved:

Ivan Lui-Kwan, Esq.
Board Chair

Date

ATTACHMENT A

HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Design Build Contracts Delay Change Order May 15, 2014

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Delay Change Order Summary

- **Delays on the Project that prevented Work to Proceed**
 - **Design Build Contracts Bid and Awarded with Multiple Notices to Proceed (NTPs)**
 - **Tied to Federal Transit Administration (FTA) Approvals**
 - **Delay Impacts prior to AIS suspension on August 24, 2012**

Delay Change Order Summary

Original Contract Dates

Contract	RFP Date	Award Date	Award Value
MSF	July 2009	June 2011	\$195,258,000
WOFH	April 2009	Nov 2009	\$ 482,924,000
KHG	Mar 2010	June 2011	\$372,150,000

Delay Change Order Summary

Contract	Description	Amount
MSF	Rail Mark-Up	\$ 1,591,096
MSF	Non-Rail Escalation	\$ 10,087,325
WOFH	NTP Delay	\$ 20,855,423
KHG	NTP Delay	\$ 1,828,208
Total		\$ 34,362,052

MSF Rail Mark-Up

- **\$1,591,096**
 - Applied Markup of 10% to previously settled Rail Material Cost of \$15,910,959
 - Complies with Contract Provision for Delay Markup of 10% on Contractor Direct Costs
 - This markup was in disagreement with Contractor and excluded from previous Rail Material Contract Change Order approved by Board on April 12, 2012
 - Contractor Cost Proposal \$3,182,192
 - Based on Markup of 20%

MSF Non-Rail Escalation

- **\$10,087,325**
 - Recognizes impacts due to **Delayed Issuance of Notice-to-Proceed (NTP)**
 - NTP 1: Jul 25, 2011 – Preliminary Design
 - NTP 2: Jan 10, 2012 – Final Design
 - NTP 3: Feb 7, 2012 – Construction
 - **Based on 22 Months of Delay**
- **Contractor Cost Proposal \$17,822,058**
 - **Equipment, Materials, Labor and Subcontractors**
 - **Excludes Rail Materials**

WOFH NTP Delay

- **\$20,855,423**
 - **Impacts due to Delayed Issuance of Notice-to-Proceed (NTP)**
 - NTP 1: Dec 1, 2009 – Preliminary Design
 - NTP 1A: Mar 11, 2010 – Geotechnical Investigations
 - NTP 1B: Mar 23, 2010 – Interim Design
 - NTP 1C: Jun 4, 2010 – Design Investigations (Test Shafts)
 - NTP 2: Mar 3, 2011 – Utility Relocation
 - NTP 3: May 24, 2011 – Final Design (LONP1)
 - NTP 4a: Feb 6, 2012 – Construction (LONP2a)
 - NTP 4b: May 17, 2012 – Construction (LONP2b)
 - **Actual Delay impacts prior to AIS Suspension on August 24, 2012**
 - **Based on 10.5 Months of Delay**
- **Contractor Cost Proposal \$28,485,292**
 - **Based on 13 Months of Delay**
 - **Staff, Equipment, Extended Overhead and Inefficiencies**

KHG NTP Delay

- **\$1,828,208**
 - **Impacts due to Delayed Issuance of Notice-to-Proceed (NTP)**
 - NTP 1: Jul 12, 2011 – Preliminary Design and Util Reloc
 - NTP 2: Jan 10, 2012 – Final Design
 - NTP 3a: Feb 7, 2012 – Construction (LONP2a)
 - NTP 3b: May 22, 2012 – Construction (LONP2b)
 - **Based on 7.5 Months of Delay**
- **Contractor Cost Proposal \$3,656,417**
 - **Staff, Equipment, Extended Overhead and Inefficiencies**

ATTACHMENT B

HART

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MSF Contract Change Order May 15, 2014

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Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Overview:

- **Change Order for \$ 22.5 M to the Maintenance and Storage Facility (MSF) Design Build Contractor, Kiewit Kobayashi, a Joint Venture (KKJV).**
- **Change Order is for the construction of the redesign to the MSF Yard Layout and Automatic Train Operations (ATO). This is the complement to the design Change Order that was presented at the February 13, 2014 HART Board.**
- **The redesign was a joint effort by HART, Design Build Contractor (KKJV) and Core Systems Contractor (Ansaldo Honolulu Joint Venture, AHJV).**
- **The redesign of the Maintenance and Storage Facility yard changes will improve operations and maintenance functionality.**

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Justification:

- **Safety**
 - Automatic Train Operations will minimize staff in the Operating Yard
- **Long Term Operational Cost Savings**
 - Savings in Operations will be around \$2.5 M annually
 - Return On Investment will be approximately 10 years
- **Increase Operational Efficiency**
 - Joint coordination effort led to a more “optimized” site for Train Operations
- **Additional Benefit**
 - Yard layout reconfiguration, coupled with 4 Car Train Sets, will allow approximately 28 - 40 additional storage of cars on site

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Operational Cost Savings Breakdown:

Position	Quantity	Estimated Cost/Yr
Stewards	19	\$ 1,580,000
Yard Controllers	6	\$ 936,000
Total Annual Cost		\$ 2,516,000

- Positions required for a Manual Operated Yard
- Based on 2080 hours per year

Maintenance and Storage Facility

Automatic Train Operations Construction

Scope of Work:

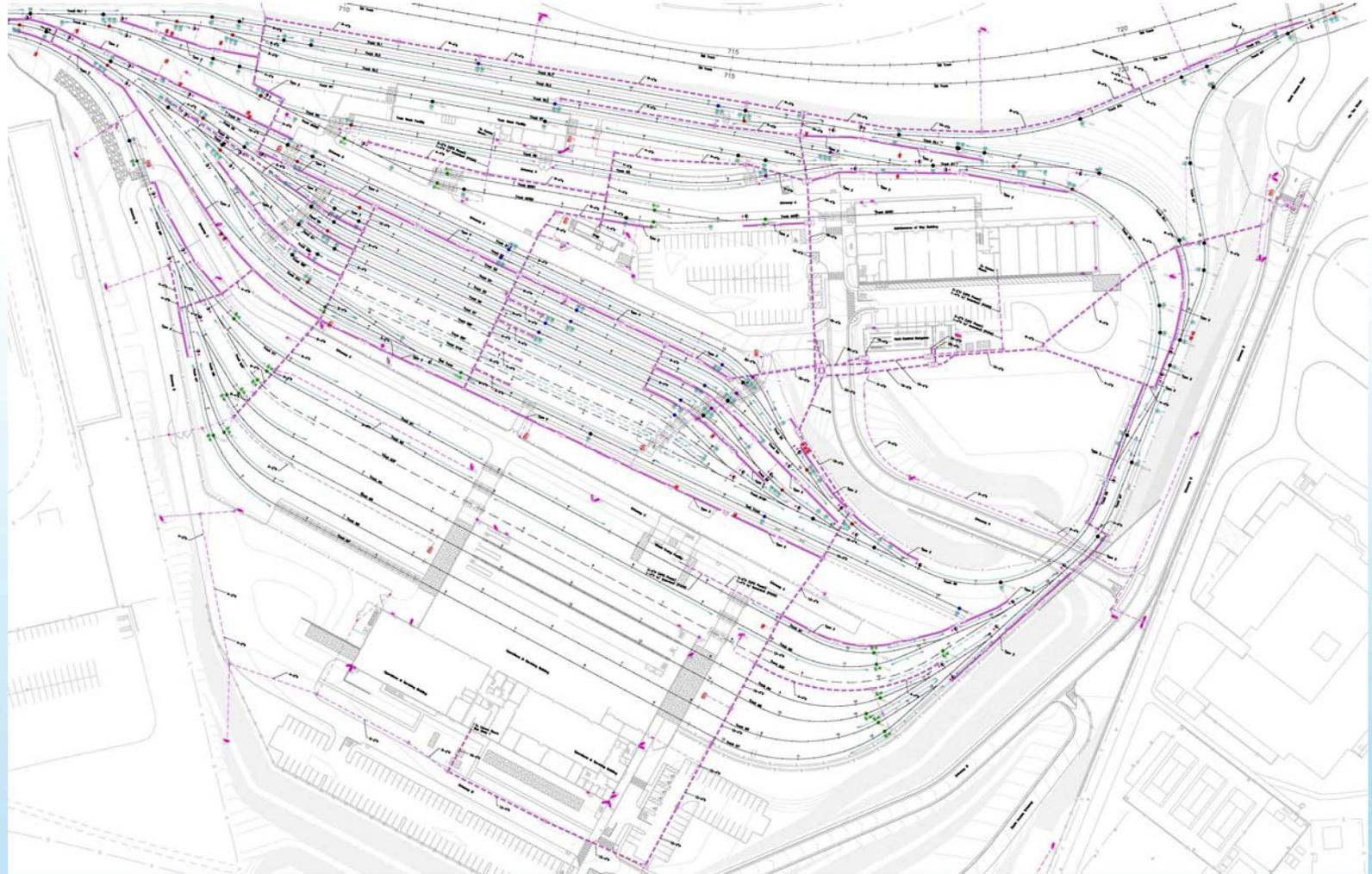
Automatic Train Operations (ATO) allows MSF yard to function as a fully automated yard.

The construction of ATO consists of the following efforts:

- Additional train control equipment and circuitry
- Additional cable troughs/ductbanks
- Additional pullboxes/manholes
- Interface coordination between KKJV and AHJV

Maintenance and Storage Facility

Automatic Train Operations Construction



Maintenance and Storage Facility

Yard Layout Reconfiguration Construction

Scope of Work:

The yard layout reconfiguration construction consists of the following:

- Construction of an on-site test track
- Construction for redesigned West Yard Lead
- Grading

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Cost:

- Contractor's original construction cost proposal was submitted in January 2014 for \$41 M. HART's initial cost estimate was at \$13 M.
- Engineering "optimization" scoping meetings were conducted by HART, KKJV and AHJV to equate quantities and reduce cost. Weekly meetings were held from January to April 2014.
- Contractor's revised cost proposal was submitted at the end of March 2014 for \$34 M. HART's cost estimate was at \$19 M.

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Cost (cont.):

- In April 2014, lump sum agreement was reached between HART and KKJV for \$22.5 M.

Schedule:

- Contractor's original schedule impact for this scope of work was a 6.5 month substantial completion extension.
- As part of final lump sum agreement, a 3.5 month substantial completion extension was agreed to.

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Lessons Learned from Ansaldo Site Tour

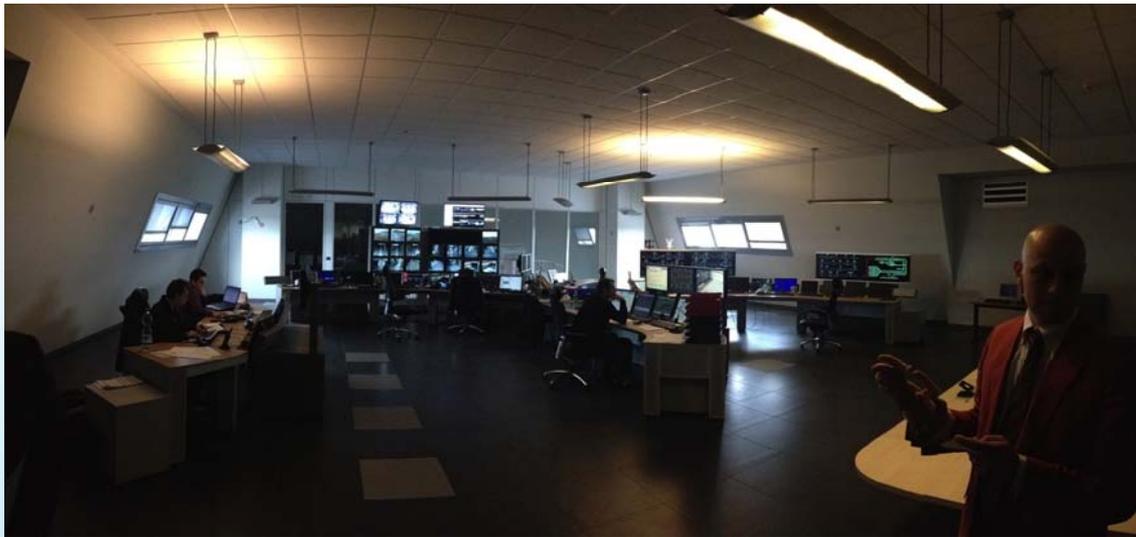
- **Test Track at Service Facility**

Each system visited stressed the importance of including a test track at the service facility. The test track is necessary for post maintenance verification of train safety performance.

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Brescia



Control Center and Service Facility

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Copenhagen



Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Copenhagen



CityRinggen Service Facility Under Construction

Maintenance and Storage Facility

Yard Layout Reconfiguration and Automatic Train Operations Construction

Summary:

- **Cost of Contract Change Order is for \$ 22.5 M**
- **MSF site will have enhanced safety**
- **MSF will have operational cost savings**
- **MSF will operate more efficiently**

Mahalo!



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