



HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

FINANCE
COMMITTEE MEMBERS

Keslie W.K. Hui
CHAIR

Donald G. Horner
VICE CHAIR

George I. Atta
Robert Bunda
Michael D. Formby
Ross M. Higashi
Ivan M. Lui-Kwan, Esq.
Carrie K.S. Okinaga, Esq.

**Joint Meeting of
Finance Committee and
Project Oversight Committee
Ali'i Place, Suite 150
1099 Alakea Street, Honolulu, Hawaii
(meeting room entrance on Richards Street)
Thursday, November 13, 2014, 8:30 am**

Agenda

I. Call to Order by Chair

PROJECT OVERSIGHT
COMMITTEE MEMBERS

Damien T.K. Kim
CHAIR

II. Public Testimony on all Agenda Items

William "Buzz" Hong
VICE CHAIR

III. Approval of the October 23, 2014 Minutes of the Joint Meeting of the Finance Committee and Project Oversight Committee

Michael D. Formby
Donald G. Horner
Ivan M. Lui-Kwan, Esq.
Carrie K.S. Okinaga, Esq.

IV. Supreme Court Construction Delay Claim Reconciliation

V. Change Order Review

A. West Oahu/Farrington Highway Escalation Due to Schedule Impacts

B. Kamehameha Highway Guideway Escalation Due to Schedule Impacts

VI. Core Systems Contract Credit

VII. Executive Session

Pursuant to Hawaii Revised Statutes Section 92-4 and Section 92-5(a)(4), the Committee may enter into Executive Session to consult with its attorneys on questions and issues on matters pertaining to the Committee's powers, duties, privileges, immunities and liabilities.

VIII. Adjournment

Note: Persons wishing to testify on items listed on the agenda are requested to register by completing a speaker registration form at the meeting or online on the HART section of the www.honolulustransit.org website. Each speaker is limited to a **two-minute** presentation.

Persons who have not registered to speak in advance should raise their hands at the time designated for public testimony and they will be given an opportunity to speak following oral testimonies of the registered speakers.

Any physically challenged person requiring special assistance should call (808) 768-6258 for details at least three days prior to the meeting date.



HONOLULU AUTHORITY for RAPID TRANSPORTATION

November 13, 2014

TO: HART Board of Directors

THROUGH: Daniel A. Grabauskas 
Executive Director and CEO

FROM: Lorenzo Garrido 
Officer-in-Charge

John M. Moore 
Deputy Director of Project Management

SUBJECT: Escalation due to Schedule Impacts
West Oahu Farrington Highway Guideway
Contract No.: CT-HRT-10H0137

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EXECUTIVE DIRECTOR AND CEO

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Overview

This Contract Change Order will establish a provisional sum for actual costs incurred due to price escalation for certain matters, including, but not limited to, wage rate increases for craft and staff labor; fuel, oil, and gas; small tools and supplies, resulting from the Archeological Inventory Survey (AIS) delay and the Notice To Proceed (NTP) delays which affected the project schedule. The provisional sum is an amount of money tentatively agreed upon between HART and the Contractor to be performed, in cases in which the full extent of the work and/or cost is not yet known. Determining a provisional sum allows work to proceed, with the expectation that payment will be awarded for the actually incurred and reimbursable escalation costs.

Recommendation

HART Board of Directors to approve a Provisional Sum Change Order in the amount of \$ 15,000,000.00

Justification

The project schedule incurred a 13-month delay resulting from the court imposed requirement that HART complete the full AIS prior to resuming construction. Additionally, the project schedule incurred a 20-month extension due to the NTP delays. The Contractor, Kiewit Infrastructure West Co. (Kiewit) submitted a request seeking compensation for the cost escalation resulting from these delays. This Contract Change Order provides funds to compensate Kiewit for actual cost incurred as a result of price escalation, related to the AIS delay and the NTP delays to the Contract.

Fiscal Impact

There is not sufficient contract allocated contingency budget remaining. The cost will be covered as a budget transfer from unallocated contingency to the Contract's contingency. Remaining balance for unallocated contingency is \$41,110,055.00.



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November 13, 2014

TO: HART Board of Directors

THROUGH: Daniel A. Grabauskas 
Executive Director and CEO

FROM: Lorenzo Garrido 
Officer-in-Charge

John M. Moore 
Deputy Director of Project Management

SUBJECT: Escalation Due to Schedule Impacts
Kamehameha Highway Guideway
Contract No.: CT-HRT-11H00195

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

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Ivan M. Lui-Kwan, Esq.
Carrie K.S. Okinaga, Esq.

Overview

This Contract Change Order will establish a provisional sum for actual costs incurred due to price escalation for certain matters, including, but not limited to, wage rate increases for craft and staff labor; fuel, oil, and gas; small tools and supplies, resulting from the Archeological Inventory Survey (AIS) delay which affected the project schedule. The provisional sum is an amount of money tentatively agreed upon between HART and the Contractor to be performed, in cases in which the full extent of the work and/or cost is not yet known. Determining a provisional sum allows work to proceed, with the expectation that payment will be awarded for the actually incurred and reimbursable escalation costs.

Recommendation

HART Board of Directors to approve a Provisional Sum Change Order in the amount of \$ 3,500,000.00.

Justification

The project schedule incurred a 13-month delay resulting from the court imposed requirement that HART complete the full AIS prior to resuming construction. The Contractor, Kiewit Infrastructure West Co. (Kiewit) submitted a request seeking compensation for the cost escalation resulting from this delay. This Contract Change Order provides funds to compensate Kiewit for actual cost incurred as a result of price escalation, related to the AIS delay to the Contract.

Fiscal Impact

The cost was not part of the awarded Kamehameha Highway Guideway contract. Funds are covered in the contract's contingency. The remaining balance for contract contingency is \$13,017,344.00.



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November 13, 2014

TO: HART Board of Directors

THROUGH: Daniel A. Grabauskas 
Executive Director and CEO

FROM: Lorenzo Garrido, Officer-in-Charge 
Justin Garrod, Core Systems Deputy Director 

SUBJECT: Core Systems Contract Credit
Core Systems Design Build Operate Maintain
Contract No.: CT-DTS-1100194

Overview

The subject request for a contract credit is for the deletion of the design, procurement, installation, testing, and commissioning of Ticket Vending Machines (TVMs) and associated equipment from the Core Systems Contract.

Recommendation

HART Board of Directors to approve a Core Systems Contract credit in the amount of \$10,350,000.

Justification

Currently, the Core Systems Design Build Operate Maintain Contract (Contract) includes the provision of TVMs and associated equipment for an open (ungated) Automated Fare Collection (AFC) system. This request for a contract credit includes the deletion of the design, procurement, installation, testing, and commissioning of TVMs and associated equipment from the Contract.

HART intends to implement a closed (gated) AFC system for the Honolulu Rail Transit Project. This system will include TVMs, fare gates, a dedicated communications network, and supporting system infrastructure. HART will procure the supply and maintenance of the AFC system under a separate contract.

HART's plan to proceed with a closed (gated) fare collection system under separate contract requires the removal of the TVM scope of work from the Contract. A credit will result from the deletion of this scope of work from the Contract.

Fiscal Impact

A budget transfer of \$10,350,000.00 will be made from the allocated contingency to unallocated contingency for future work at the appropriate time. The remaining balance for contract contingency is \$57,255,959.00. The remaining balance for unallocated contingency is \$41,110,055.00