

**CONTRACT FOR
INDEPENDENT FINANCIAL AUDITOR "II" AGREEMENT
CONTRACT No. SC-HRT-1600059**

This Contract for Professional Services dated MAR 15 2016 (the "Contract" or "Agreement") is entered into by and between the HONOLULU AUTHORITY FOR RAPID TRANSPORTATION, a semi-autonomous agency of the City and County of Honolulu, whose principal place of business and mailing address is Ali'i Place, 1099 Alakea Street, Suite 1700, Honolulu, Hawaii 96813, hereinafter referred to as "HART," and KMH LLP, a partnership whose principal place of business and mailing address is 1003 Bishop Street, Suite 2400, Honolulu, Hawaii 96813, hereinafter referred to as the "CONTRACTOR." HART and the CONTRACTOR, collectively, are the "Parties," and individually a "Party," all as governed by the context in which such words are used.

WITNESSETH:

WHEREAS, HART desires to engage the CONTRACTOR to perform independent auditing services for the Honolulu Rail Transit Project;

WHEREAS, the services entered into hereunder are technical and professional in nature and HART personnel are not able to provide these services;

WHEREAS, the CONTRACTOR was selected pursuant to Hawaii Revised Statutes ("HRS") Section 103D-303 and related Hawaii Administrative Rules ("HAR"), relating to competitive sealed proposals, under RFP-HRT-918006;

WHEREAS, federal funding is involved in this project and, as such, the CONTRACTOR is required to comply with all applicable federal laws, rules and regulations, including but not limited to those of the United States Department of Transportation, Federal Transit Administration; and

WHEREAS, the CONTRACTOR is qualified, able, and willing to render the required services on the terms, conditions, and compensation hereinafter fully set forth;

NOW, THEREFORE, HART and the CONTRACTOR, in consideration of the foregoing and of the mutual promises hereinafter set forth, and intending to be legally bound, hereby mutually agree as follows:

1. Work. The CONTRACTOR shall, in a proper and satisfactory manner as determined by HART, perform and complete all of the services required in accordance with and as set forth in the Contract Documents as hereinafter described, shall furnish all services, labor, materials, and equipment reasonably necessary for the successful completion of the scope of work under the Contract Documents ("Work"), and shall receive and accept as full compensation for all the Work, the payments for the various items of the Work as hereinafter set forth.

2. Contract Documents. The CONTRACTOR shall complete and perform the Work in accordance with the following documents (collectively, the "Contract Documents"):

- This Agreement Form and any amendments thereto;
- Special Provisions and any exhibits or required submittals thereto;
- HART's General Terms and Conditions for Professional Services, (v. 08/2015);
- RFP-HRT-918006 and any addenda thereto; and
- The CONTRACTOR's proposal, dated December 1, 2015.

The Contract Documents above are listed in order of controlling preference starting with the Contract Form and then descending in preference, except that those portions of the CONTRACTOR's proposal that exceed the requirements set forth in the other Contract Documents become the new minimum Contract requirements. Any modifications, changes or amendments to the Contract Documents shall be incorporated and made a part of this Contract.

3. Performance. The CONTRACTOR shall complete the Work required under the Contract Documents as provided for in the Scope of Work attached hereto.

4. Notice to Proceed. The CONTRACTOR shall not commence the Work until HART issues a written Notice to Proceed ("NTP"). Any Work undertaken by the CONTRACTOR prior to issuance of the NTP shall be the sole responsibility of and undertaken at the sole risk of the CONTRACTOR, without any obligation on HART's behalf.

5. Term. The term of this Contract shall be for four (4) years commencing from issuance of the written NTP.

6. Contract Sum, Compensation. HART agrees to pay the CONTRACTOR for the satisfactory performance and completion of the Work, the payments in accordance with the agreed rates of pay shown in Appendix B, Contract Cost, and Appendix C, Compensation and Invoicing, of this Contract. The aggregate amount of such payments for the Work shall not exceed the Contract Sum under this Contract, which is TWO HUNDRED THIRTY SIX THOUSAND AND 00/100 DOLLARS (\$236,000.00). All compensation paid to the CONTRACTOR under this Contract is inclusive of all direct labor, overhead, general and administrative expenses, other direct costs, subcontractor costs, fixed fees, and applicable taxes, including but not limited to, the State of Hawaii's general excise and use tax (GET) and the City and County of Honolulu's one-half percent (0.5%) GET surcharge. Any increases in tax shall not pass through to HART.

7. Notices. Any notice required or permitted hereunder to be given shall be written and shall either be delivered personally or mailed by certified mail with return receipt requested to the address and person designated by each Party below. If the notice is mailed, it shall be effective one business day following the date it is mailed. If the notice is hand delivered, it shall be effective upon receipt. Any change of address of either of the Parties shall be effective upon receipt of written notice of such change by the other Party.

Notices to HART shall be sent to HART's Executive Director and CEO as follows:

Daniel A. Grabauskas
Executive Director and CEO
Honolulu Authority for Rapid Transportation
1099 Alakea Street Suite 1700
Honolulu, Hawaii 96813

Notices to the CONTRACTOR shall be sent to:

Wilcox Choy
Partner
KMH LLP
1003 Bishop Street, Suite 2400
Honolulu, Hawaii 96813

8. Entire Agreement. This Agreement supersedes all prior agreements, representations, and communications, either written or verbal, between the Parties regarding the Work. This Agreement cannot be modified except by a written instrument signed by both Parties.

IN WITNESS WHEREOF, HART and the CONTRACTOR have executed this Agreement by their duly authorized officers or agents on the day and year first above written.

HONOLULU AUTHORITY FOR
RAPID TRANSPORTATION


By: Daniel A. Grabauskas
Its Executive Director and CEO

KMH LLP


By: Wilcox Choy
Its Partner

APPROVED AS TO FORM AND
LEGALITY:


Deputy Corporation Counsel
IVAN M. TORIGOE

HART-12 (11/11)

Certificate

The attached contract for Independent Financial Auditor "II" Contract

(\$236,000.00)

is hereby approved as to availability and designation of funds, and certification is hereby made that there is a valid appropriation from which expenditures to be made under said contract may be made and that sufficient unencumbered funds will be available in the Treasury of the City and County of Honolulu to the credit of such appropriation to pay the amounts of such expenditures when the same become due and payable.

CONTRACT NO. SC - HRT - 1600059
FUND Transit Fund (290)

HONOLULU, HAWAII

Date: 3/15/16

ACCOUNT NO.
290/7790 - 16 = \$ 236,000.00 (3002)

TOTAL = \$ 236,000.00

HB
3/15/16


Executive Director and CEO

Honolulu Authority for Rapid Transportation

Attachment to:

Contract for Independent Financial Auditor "II" Agreement Contract No. SC-HRT-1600059

State of Hawaii)
)SS
City and County of Honolulu)

On this 11th day of March 2016, before me personally appeared Wilcox Choy to me known, who being by me duly sworn, did say that he a Partner of KMH LLP, to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Witness my hand and seal.



Karen S Arakaki
Karen S. Arakaki
Notary Public, State of Hawaii

My commission expires: March 9, 2019

Doc. Date: 3/11/16 # Pages: 3
Karen S. Arakaki First Circuit
Doc. Description Contract for Independent
Financial Auditor "II" Agreement
Contract No SC-HRT-1600059
Karen S Arakaki 3/11/16
Notary Signature Date

NOTARY CERTIFICATION

