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## HOUSE RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT  
AUDIT OF THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION.

1           WHEREAS, the Honolulu Rail Transit Project, referred to as  
2 the largest public works project in the State's history, is a  
3 20-mile elevated rail transit project spanning from East Kapolei  
4 to Ala Moana Center and is scheduled to be completed by 2019;  
5 and  
6

7           WHEREAS, paying for this \$5.2 billion project includes  
8 \$1.55 billion that was awarded to the Honolulu Authority for  
9 Rapid Transportation (HART) by the Federal Transit  
10 Administration, a half-percent general excise tax and use tax  
11 surcharge for rail that has been collected since 2007, and funds  
12 from other federal and locally-generated sources; and  
13

14           WHEREAS, HART, a semi-autonomous public transit authority  
15 approved by voters in 2010, is responsible for the planning,  
16 construction, operation, and extension of the rail system; and  
17

18           WHEREAS, with construction underway, budgetary and funding  
19 concerns threaten the continued viability of the rail transit  
20 project, with costs to construct the rail transit project  
21 outpacing money coming in from federal and state sources, huge  
22 shortfalls in the budget, delays in construction, cost overruns,  
23 and anticipated construction cost increases; and  
24

25           WHEREAS, the reported nearly \$1 billion shortfall, and size  
26 and projected growth of the rail transit project necessitates a  
27 financial and management audit of HART for internal  
28 accountability and public transparency, particularly at a time  
29 when public discussion and deliberation centers on the fiscal  
30 soundness and continued viability of this project; now,  
31 therefore,



1 BE IT RESOLVED by the House of Representatives of the  
2 Twenty-eighth Legislature of the State of Hawaii, Regular  
3 Session of 2015, that the Auditor is requested to conduct a  
4 financial and management audit of HART's governance and  
5 operations; and

6  
7 BE IT FURTHER RESOLVED that the audit examine, at a  
8 minimum, the following:

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- 10 (1) HART's management and operations with respect to  
11 HART's financial and management policies, practices,  
12 and processes associated with the plans, design,  
13 bidding, and construction of the Honolulu Rail Transit  
14 Project;
  - 15  
16 (2) HART's financial plan and related systems of  
17 accounting and internal controls;
  - 18  
19 (3) The contracts awarded and expenditures associated with  
20 the rail transit project contracts, including payments  
21 to contractors, subcontractors, and consultants, and  
22 what the expenditures are being used for;
  - 23  
24 (4) The factors contributing to cost increases, cost  
25 inflation, and cost escalation of the rail transit  
26 project, including delays in the project; change  
27 orders; requirements affecting the planning, design,  
28 bidding, and construction of the project; work  
29 restrictions; and bidding procedures; and
  - 30  
31 (5) Cost containment measures, efficacy of fiscal  
32 operations and decisions, and other actions HART has  
33 taken to mitigate the burgeoning costs and shortfalls  
34 of the rail transit project; and

35  
36 BE IT FURTHER RESOLVED that the Auditor is requested to  
37 submit to the Legislature a report of the completed audit,  
38 including its findings and recommendations, no later than twenty  
39 days prior to the convening of the Regular Session of 2016; and



1 BE IT FURTHER RESOLVED that certified copies of this  
 2 Resolution be transmitted to the Governor, Mayor of the City and  
 3 County of Honolulu, Council Members of the Honolulu City  
 4 Council, Acting Auditor, and Executive Director and Chief  
 5 Executive Officer of HART.  
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OFFERED BY:

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