



Excerpts from **Audit of the Honolulu Authority For Rapid Transportation (HART)**
Report No. 16-03 to the Mayor and the City Council of Honolulu
by The City Auditor, April 2016

Legislators may have read about HART from many sources. Below are the official findings of the City Auditor.

“HART’s financial and operating plans are not reliable or current . . . Absent the improvements, we anticipate additional shortfalls and cost overruns will occur.”

- Auditor questioned:
 - HART’s ability to “forecast costs”
 - Lack of “technical capacity” (pg. 7)
- Financial and operating plans are not regularly updated. (pg. 10)
- HART’s financial plan did not demonstrate sufficient financial capacity to complete the project as currently planned. (pg. 11)
- Unable to provide details to support a \$10-\$20 million cost estimate. Project cost estimates lacking supporting documentation. (pg. 13, 15)
- HART cannot demonstrate it has an effective method of tracking, monitoring and reporting on delay claim costs. (pg. 16)
- \$46 million in estimated cost overruns of the \$130 million in project enhancements were not supported. (pg. 19)
- Auditor questioned the estimated \$20 million for additional escalators. HART provided a handwritten proposed costs document that showed 2 estimates, which varied by roughly \$8 million dollars with a low of \$17 million and a high of \$25 million. (pg. 20)
- HART’s revenue forecasts were higher than reported. HART underreported its projected shortfall amount by approximately \$41 million. (pg. 21)
- Project Management Plan (PMP) and Operations and Maintenance Plan (OMP) are outdated and unreliable. (pg. 25)
- Cost controls were insufficient to control cost increases. (pg. 31)
- HART has not planned for the operations and maintenance of the rail system or the costs of operating the system after it is completed. (pg. 45)
- HART fare revenues will cover about 30% of the operations and maintenance. The remaining 70% will require subsidies from the city. (pg. 47)

Full Audit Report can be found on the City and County of Honolulu web site:
https://www.honolulu.gov/rep/site/oca/oca_docs/HART_Final_Report_compressed.pdf