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## **HART SIGNS CORE SYSTEMS CONTRACT WITH ANSALDO**

After months of additional review of the contractor's financial capacity, the Honolulu Authority for Rapid Transportation (HART) signed a contract today with Ansaldo Honolulu JV for the Honolulu rail project's core systems.

The core systems contract with Ansaldo Honolulu JV includes the design, construction and delivery of the train vehicles, the train control systems and the operation and maintenance of the rail system after installation.

"Our extensive review of Ansaldo Honolulu JV's finances showed that they have the capacity to successfully deliver the core systems contract," said Toru Hamayasu, HART's interim executive director and CEO. "We have strong safeguards in bonds and guarantees to protect us. But more importantly, I believe we selected a responsible contractor, with a solid commitment to delivering a world-class system for Honolulu."

Honolulu Mayor Peter Carlisle said he was pleased to see the project move forward. "Rail transit will bring much-needed jobs to our community during these tough economic times. It will also provide a solid transportation option and restore quality of life for our residents who are forced to fight traffic daily, at the expense of time with their families and friends," Carlisle said. "Rail is a green and sensible solution to our gridlocked roads and highways. It's time to move forward and respect the people's vote."

HART Board Chairwoman Carrie Okinaga said having the core systems contract in place is key to successfully delivering this project. "Due diligence in assessing the contractor's technical and financial capacity was absolutely critical," she said. "With that lengthy review completed by the chief procurement officer, staff, consultants, and board members, and knowing that HART will continue to monitor this contract and all of our contracts diligently, we look forward to the project moving forward, with Ansaldo Honolulu JV as our partner in delivering this project on time and within budget."

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The HART board's Finance and Project Oversight committees also conducted two separate meetings on Ansaldo's financial capacity, and that of its parent company, Finmeccanica, in addition to eight board meeting discussions. Most recently, the committees held a lengthy public meeting Friday with Ansaldo's top officials, who answered detailed questions about the company's finances. At both meetings, Ansaldo officials were questioned extensively about the joint venture's financial capacity to fulfill the contract.

"We have confirmation at three levels: the City, State DCCA, and the State court that the process was in full compliance with the procurement policies. Additionally, extensive due diligence has been conducted by HART over the last several months. We are confident that the procurement officer made a well-informed decision," said HART Finance Committee Chairman Don Horner and Project Oversight Committee Chairman Damien Kim.

Ansaldo Honolulu JV was awarded the \$1.4-billion core systems contract in March. That contract includes \$574 million for the design, construction and delivery of 80 train vehicles and train control systems, and \$830 million in operations and maintenance over a 14-year period. The contract calls for the delivery of the first 16 vehicles in 2014 and for the remainder in 2018.

The core system's contract is the latest milestone for the rail project, with 50 percent of its design and construction contracts already awarded. The project officially broke ground earlier this year and utility relocation work is now in full swing in preparation for the construction of the transit guideway in February 2012. The first section of the transit system from East Kapolei to Aloha Stadium is expected to open in 2015; the second section from East Kapolei to Kalihi in 2017; and the entire system from East Kapolei to Ala Moana in 2019.

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