

OFFICE OF THE CITY AUDITOR
City and County of Honolulu
State of Hawai'i

Audit of the Funds Appropriated for Bicycle Projects



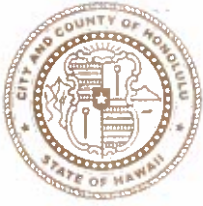
Audit of the Funds Appropriated for Bicycle Projects

A Report to the
Mayor
and the
City Council
of Honolulu

Submitted by

THE CITY AUDITOR
CITY AND COUNTY
OF HONOLULU
STATE OF HAWAII

Report No. 15-03
April 2015



**OFFICE OF THE CITY AUDITOR
CITY AND COUNTY OF HONOLULU**

1001 KAMOKILA BOULEVARD, SUITE 216, KAPOLEI, HAWAII 96707 / PHONE: (808) 768-3134 / FAX: (808) 768-3135

EDWIN S.W. YOUNG
CITY AUDITOR

April 10, 2015

The Honorable Ernest Y. Martin, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Council Chair Martin:

A copy of our final report on the *Audit of the Funds Appropriated for Bicycle Projects* is attached. This review was requested by the Honolulu City Council in Resolution 10-297 which requested an audit of the funds appropriated for bicycle projects. The audit objective was to determine why bike funding lapsed at such a high rate and received low priority. The audit sub-objectives were to: (1) evaluate the administration of the city's bike program; (2) evaluate and assess the adequacy of the controls used to manage the bike project funds; and (3) determine why bike project funds were lapsing. This audit was performed in accordance with generally accepted government auditing standards from December 2013 to March 2015.

Background

Prior to January 2013, previous administrations and the Department of Transportation Services (DTS) placed a low priority on completing bike projects. Since January 2013, the new mayor made making Honolulu a bike-friendly city a priority and the new DTS Director initiated several projects and programs to make Honolulu a bike-friendly city. The current DTS Director has accomplished more than his predecessor in advancing the goals and objectives of the O'ahu Bike Plan. As a result, bike pathways and new bike projects are visible throughout the city.

The report lists the 17 projects and initiatives that were either started or reported complete since January 2013. Other post-January 2013 initiatives included advocating bike-friendly programs among city residents and community groups; establishing complete street working groups; coordinating with city departments and community groups to design and complete the Waiialae Avenue bike paths; and ensuring the construction and completion of the King Street Cycle Track. Additional initiatives included applying for federal grants for 8 other cycle track projects in the city; introducing bikeshare initiatives; and improving the bike network, rail-bike connections, and bicycle infrastructure. DTS also drafted an age-friendly city plan that includes bike-friendly initiatives; incorporated bike-friendly designs into the complete streets program; and promulgated the draft Honolulu Complete Streets Design Manual.

The Honorable Ernest Y. Martin, Chair
and Members
April 10, 2015
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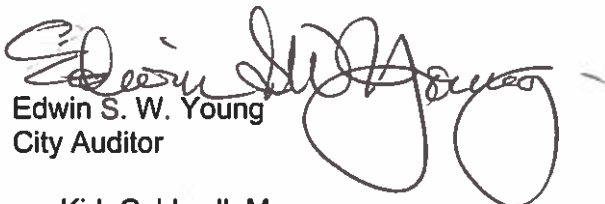
Audit Sample Results

For the audit, we sampled 32 bike projects throughout the city. Our review identified several opportunities for improving the administration and management of the bike program. The 32 bike related projects from both before and after January 2013 showed the need to:

- *Formal policies and procedures:* Establish formal, written policies, procedures, terminology, and definitions for the bike program to facilitate communications, coordination, administration, and implementation of the city bike plan, projects, and program. The formal policies and procedures should provide DTS or an oversight body the authority, as well as the responsibility, to oversee, coordinate, monitor, and manage all bike projects among all city departments; and negotiate memoranda of agreements with state and city entities for the implementation of bike related projects identified in the O`ahu Bike Plan and related to the city complete streets ordinance. As appropriate, the city charter commission should consider amending the city charter to institutionalize the policies and procedures related to the bike projects.
- *Project and funding data:* Maintain complete, consistent, accurate and reliable bike project and funding data for all bike projects, and ensure bike project and funding data are readily available among project managers throughout the city, particularly those involved in bike projects.
- *Lapsed funding:* Better manage funds and federal grants for bike projects so the use of the funds are used in a timely manner to attain the bike program goals, objectives, and priorities. As of December 2014, we identified over \$3.64 million in bike related funds, grants, and appropriations that had lapsed or were at risk of lapsing. Prior to January 2013, over \$3.2 million in city and federal funds lapsed. After January 2013, over \$353,800 in bike funds lapsed. If the city funds continue to lapse and federal funds are de-obligated, the loss will adversely affect DTS and the city's ability to achieve the goals, objectives, and priorities itemized in the O`ahu Bike Plan and the city charter priority for a pedestrian and bicycle-friendly city. The city's external auditors reported the administration of federal funds was a material weakness in the city internal controls. The external auditor also recommended that the city review its grant agreements to identify all program requirements and implement procedures to ensure compliance with the federal requirements.

We express our appreciation for the cooperation and assistance provided to us by the managers and staff of DTS, the Department of Design and Construction, the Department of Budget and Fiscal Services, and the many others who assisted us during this review. We are available to meet with you and your staff to discuss the review results and to provide more information. If you have any questions regarding the audit report please call me at 768-3134.

Sincerely,


Edwin S. W. Young
City Auditor

- c: Kirk Caldwell, Mayor
Roy Amemiya, Managing Director
Michael Formby, Director, Department of Transportation Services
Nelson Koyanagi, Director, Department of Budget and Fiscal Services
Charisma Fojas, Auditor, Office of the City Auditor
Christine Ross, Auditor, Office of the City Auditor

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Chapter 1

Introduction and Background

Introduction

This audit was conducted pursuant to Resolution 10-297 which requested an audit of the funds appropriated for bicycle projects. The audit objective was to determine why funding lapsed at such a high rate and received low priority. The resolution also urged the city administration to recommit the city to help Honolulu become a bicycle-friendly city, and to ensure that all current and future funding for bicycle projects help further this goal.

Background

The island of O`ahu has approximately 132 miles of on- and off-road bikeway facilities, including city, state, federal, and private bikeways. In 1999, the Honolulu City Council adopted Resolution 99-252 CD1 that implemented the Honolulu Bicycle Master Plan for bicycle planning. In 2006, an amendment to the city charter (Section 6-1706, Pedestrian and Bicycle Friendly City) stated that:

...one of the priorities of the department of transportation services is to make Honolulu a pedestrian and bicycle-friendly city.

Making Honolulu a bike-friendly city was also one of the mayor's top priorities for fiscal year 2014.

Master bike plan

In August, 2012, the Department of Transportation Services (DTS) issued a comprehensive bicycle master plan, *O`ahu Bike Plan*, which provided guidance for DTS bikeway planning for the entire island of O`ahu. The plan included provisions to ensure that the rail transit stations were integrated into the regional bikeway network and built on the DTS 1999 bicycle master plan for Honolulu.

The comprehensive plan was considered vital to achieving the objective of establishing a bicycle-friendly island. The plan contained a vision, goals, measurable objectives, and benchmarks for gauging the progress in implementing the bike plan. The plan stated strong policies and programs were essential to making city roads safe and accessible to bikes. The plan further included

a strategy for integrating bicycling into the city transportation system, and:

- Called for an additional 559 miles of facilities to be built over the next 20 to 30 years at a cost of about \$68 million, and
- Included a short-range implementation plan for city projects to be constructed between 2012 through 2017 at a cost of about \$2.7 million.

Maps of the planned bikeways are shown in Appendix 3. The maps and plan identified physical bikeway projects that were needed to create O`ahu's future bikeway network, related costs, and specific benchmarks for measuring progress in achieving the long-term vision for a bicycle-friendly O`ahu.

Complete streets ordinance

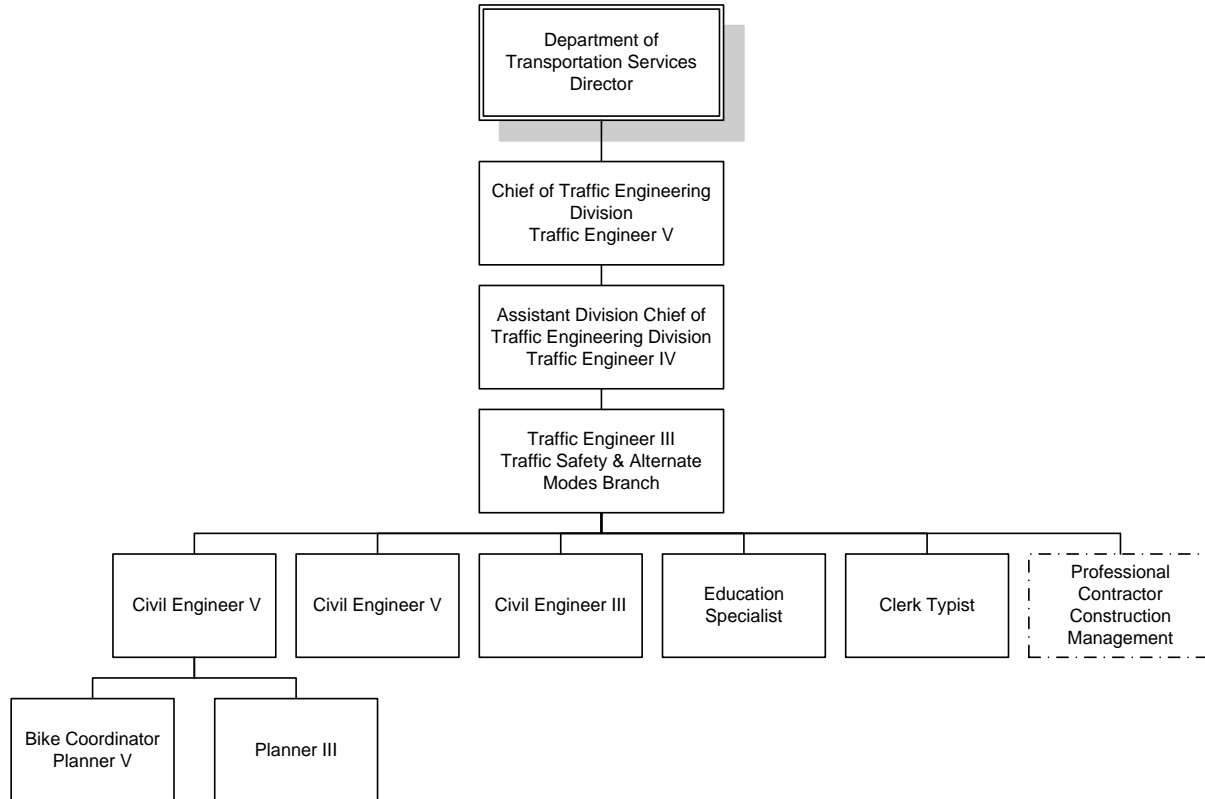
In May 2012, the Mayor signed into law Bill 26 that established a *Complete Streets* policy to improve transportation safety and accessibility for all users, including bicyclists, pedestrians, transit riders, and motorists. The policy required a multi-modal approach in the planning, design, construction, maintenance and operation of transportation facilities and projects. Under the bill, planned facilities or projects must incorporate the O`ahu Bike Plan recommendations.

Department of Transportation Services (DTS)

The Revised Charter of Honolulu, Section 6-17, provided the Director of the Department of Transportation Services the duties and functions for making the city more pedestrian- and bicycle-friendly. Based on the O`ahu Bike Plan, DTS has responsibility for implementing city bike plans, programs, and projects throughout the city, including bike related projects of the Department of Facility Maintenance (DFM) and Department of Design and Construction (DDC) .

The DTS Traffic Engineering Division's Traffic Safety and Alternate Modes Branch is responsible for the city's bike program. The branch is comprised of eight employees and a professional contractor¹ who is responsible for overseeing bicycle projects, federal funded projects, and construction managers for other projects. The organizational chart for the DTS Traffic Safety and Alternate Modes Branch is shown below.

¹ The professional contractor, called a "secunded" employee, is defined as the separation of a person from their regular organization for temporary assignment elsewhere.

Exhibit 1.1**Traffic Safety and Alternate Modes Branch Organization Chart (as of December 2014)**

Source: Department of Transportation Services and Office of the City Auditor

Other departments involved in bike projects

Besides DTS, other city departments are involved with bike projects. These include:

- **Department of Design and Construction.** DDC is the central agency for administering the city's capital improvement program (CIP). It directs and performs planning, engineering, design, and construction of public projects such as buildings and streets.
- **Department of Facilities Maintenance.** DFM plans and administers repair, renovation and maintenance programs for roads, bridges, city buildings, and parking facilities.
- **Department of Planning and Permitting (DPP).** DPP is responsible for the city's long-range and community planning efforts, issues and enforces permits required for

development projects, and enforces city standards and requirements for infrastructures.

Bike projects initiated and developed by these departments may not involve DTS in the planning, design, construction, maintenance and operation of the project. According to DTS staff, each department is responsible for independently complying with the complete streets ordinance and the O`ahu Bike Plan. Independent of DTS, each department is also responsible for determining which, if any, bike project should be included in the project. The DTS director states the DTS role is to be an advocate for bike projects among these departments.

Bike project funding

The main sources of funds for bicycle projects include the city Bikeway Fund (Fund 140), the city Highway Improvement Bond Fund (Fund 620), and Federal Grants Capital Projects Fund (Fund 630).

- The city Bikeway Fund (Fund 140) is comprised of bicycle and moped registration fees, transfer fees, penalties, fines, and charges for duplicate tags and certificates of registration. These monies are earmarked for the operation, acquisition, and other costs related to bikeways. Funds appropriated each fiscal year that are unused, automatically revert (lapse) back into the Bikeway Fund.
- The city Highway Improvement Bond Fund (Fund 620) contains the proceeds from general obligation bonds issued to pay for highway capital projects and related bike improvements. If the funds are not used by the end of the fiscal year, they lapse.
- The Federal Grants Capital Projects Fund (Fund 630) are monies received from sources such as the federal government in the form of grants, entitlements, shared revenues or payments in lieu of taxes, and city monies appropriated for capital projects transferred into this fund. The funds, particularly federal grant funds, must be expended for the purposes received or appropriated. For federal grants, the city receives funds through a reimbursement process. For bike projects that include federal funds, federal funds accounts for 80% of the total funds and city funds account for 20% of the total funds. DTS may lose federal funds if: funds are not used within its specified period of time; reimbursement requests are untimely; funds become inactive; or if funds obligated for completed projects are not re-obligated to new projects.

Federal funds are distributed through the State of Hawai'i Department of Transportation (HDOT) to sub-recipients such as the City and County of Honolulu.

From FY 2006 through 2014, funds appropriated for city bike projects totaled \$9.33 million. This amount included funding from the Bikeway Fund (\$2.92 million), Highway Improvement Bond Fund (\$2.25 million), and Federal Grants Capital Projects Fund (\$4.16 million). If the funds lapse, the city may lose the opportunity to use the funds for the bike projects identified in the city's capital improvement budgets and the O`ahu Bike Plan.

Exhibit 1.2
Funds Appropriated for Bicycle Projects by Fiscal Year and Fund (FY 2006 to FY 2014)

<i>Fiscal Year (FY)</i>	<i>Bikeway Fund (140)</i>	<i>Highway Improvement Bond Fund (620)</i>	<i>Federal Grants Capital Projects Fund (630)</i>	<i>Total</i>
2006	\$447,000	-	-	\$447,000
2007	-	-	-	\$0
2008	\$700,000	\$300,000	-	\$1,000,000
2009	-	\$1,001,000	-	\$1,001,000
2010	\$300,000	\$850,000	-	\$1,150,000
2011	\$600,000	\$100,000	\$1,556,000	\$2,256,000
2012	\$200,000	-	\$880,800	\$1,080,800
2013	\$342,000	-	\$1,001,600	\$1,343,600
2014	\$334,000	-	\$720,000	\$1,054,000
Total	\$2,923,000	\$2,251,000	\$4,158,400	\$9,332,400

Source: Office of the City Auditor

Audit Objectives, Scope, and Methodology

City Council Resolution 10-297 requested an audit of the funds appropriated for bicycle projects. The audit objective was to determine why such funding lapses at such a high rate and receives low priority. The audit sub-objectives were to: (1) evaluate the administration of the city's bike program; (2) evaluate and assess the adequacy of the controls used to manage the bike project funds; and (3) determine why bike project funds are lapsing.

For the audit, we reviewed the city charter, city ordinances, city policies and procedures, and city plans related to the bike projects

and plans. We reviewed the 1999 Honolulu Bicycle Master Plan; the 2012 O`ahu Bike Plan; identified and prioritized bike projects; reviewed updated bike plans and reports; and conducted site visits to bike facilities.

At the Department of Transportation Services, we reviewed DTS policies and procedures, examined DTS plans and progress reports related to the bike projects and plans; discussed the 1999 Honolulu Bicycle Master Plan and the 2012 O`ahu Bike Plan; quantified the number of bike projects; reviewed updated bike plans and reports; and conducted site visits to bike facilities. We also interviewed DTS personnel and administrators involved with the bike projects and discussed the status of bike projects, bike funds, and why the funds were lapsing.

We reviewed the city financial management program for bicycle project fund data. We reviewed bike project contracts files and invoices. We also reviewed DTS weekly status reports, progress reports, review checklists, and federal grant authorization forms.

We quantified the bike related funds appropriated and received by the city for federal grants, identified federal and city capital projects related to bike projects; quantified the amounts received and used for bike related projects, and verified the amount of bike related funds that had lapsed. We examined documents related to the bike projects, evaluated the effectiveness and efficiency of the bike program, the status of bike plans and projects, the status of bike related funds, and why bike funds had lapsed. We also interviewed DDC staff involved with bike related projects.

At the state and federal levels, we reviewed applicable state and federal laws, rules and guidelines. These included the Federal Highway Administration's (FHWA) Finance Administrative Requirements, the Common Grant Rule, and the Federal Highway Process Review. We also reviewed communications from HDOT and the FHWA to DTS.

We interviewed Federal Highway Administration staff and the Hawai`i Department of Transportation staff involved with federally funded bike projects. At the state and federal levels, we discussed the economy, effectiveness, and efficiency of the city bike projects, plans, and programs; the status of bike related funds; the amount and reasons why bike-related funds were lapsing. We also discussed the impact of the lapsed funds on city, state and federal programs; their concerns regarding the city bike programs; and the adequacy of the city administration of the bike-related funds.

Our review covered funding data for bike projects and facilities from FY 2006 through FY 2014. The audit was performed in accordance with generally accepted government audit standards from December 2013 to March 2015. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

Prior to January 2013, previous administrations and the Department of Transportation Services (DTS) placed a low priority on completing bike projects. Since January 2013, the new mayor made making Honolulu a bike friendly city a priority and the new DTS Director initiated several projects and programs to make Honolulu a bike friendly city. Although many improvements have occurred since January 2013, more needs to be done to ensure the success of the bike program. In our opinion, DTS and the other city departments need to:

- Establish formal, written policies, procedures, terminology, and definitions for the bike program to facilitate communications, coordination, administration, and implementation of the city bike plan, projects, and program. The formal policies and procedures should provide DTS or an oversight body the authority, as well as the responsibility, to oversee, coordinate, monitor, and manage all bike projects among all city departments; and negotiate memoranda of agreements with state and city entities for the implementation of bike-related projects identified in the O`ahu Bike Plan and related to the city complete streets ordinance. As appropriate, the city charter commission should consider amending the city charter to institutionalize the formal policies and procedures related to the bike projects.
- Maintain complete, consistent, accurate and reliable bike project and funding data for all bike projects, and ensure bike project and funding data are readily available among project managers throughout the city, particularly those involved in bike projects.
- Better manage funds and federal grants for bike projects so the use of the funds are used in a timely manner to attain the bike program goals, objectives, and priorities.

As of June 30, 2013, we identified over \$3.2 million in bike-related funds that lapsed. As of June 30, 2014, we identified an additional \$353,000 in bike funds that lapsed.² If the \$3.64 million in city funds continue to lapse and federal funds are de-obligated, the loss will adversely affect DTS and the city's ability to achieve the goals, objectives, and priorities itemized in the O'ahu Bike Plan and the city charter priority for a pedestrian and bicycle friendly city. The city's external auditors reported the administration of federal funds was a material weakness in the city internal controls. The external auditor also recommended that the city review its grant agreements to identify all program requirements and implement procedures to ensure compliance with the federal requirements.

² DTS contends no formal de-obligation of the funds occurred and the funds do not expire, therefore the funds have not lapsed. DTS could not provide copies of any federal grants that show the federal funds do not expire. Federal and state personnel responsible for distributing the bike grants stated although the funds have not been de-obligated, they were concerned the de-obligation could occur at any time. City bike project funds returned to the city bikeway and highway funds may not be available for the same bike projects in future capital budgets.

Chapter 2

Improved Program Administration Will Help Achieve City Charter and Bike Plan Goals, Objectives, and Priorities

The Department of Transportation Services (DTS), as well as other city departments, can improve its administration and coordination of the city bike plan, projects, and program by establishing formal written policies, procedures, terminology, and definitions for the bike program. These would facilitate bike plan communications, bike project coordination, program administration, and successful implementation of the 2012 O`ahu Bike Plan. Maintaining complete, consistent, accurate and reliable bike project and funding data, and ensuring bike project and funding data are consistent and readily available among project managers throughout the city would help DTS and other city departments attain the city charter priority of making Honolulu a pedestrian and bicycle-friendly city.

- The formal policies and procedures should provide DTS or an oversight body the authority to oversee, coordinate, monitor, and manage all bike projects among all city departments.
- The O`ahu Bike Plan includes State of Hawai`i streets. The city should negotiate memoranda of agreements with the State of Hawai`i Department of Transportation (HDOT) that ensure the bike plan and complete streets ordinance requirements are implemented.
- DTS should negotiate memoranda of agreements with other city departments that provide DTS or an oversight body the authority to implement bike projects identified in the O`ahu Bike Plan and bike projects related to the complete streets ordinance.
- As appropriate, the city charter commission should consider amending the city charter to institutionalize the formal policies and procedures related to the bike projects.

Background

The bike program is a means to ensure the attainment of the pedestrian and bicycle-friendly priority. The Revised Charter of Honolulu, Section 6-17, states that:

...one of the priorities of the Department of Transportation Services is to make Honolulu a pedestrian and bicycle-friendly city.

Section 6-17 provided the Director of the Department of Transportation Services the duties and functions for making the city more pedestrian- and bicycle-friendly. Based on the city charter, DTS has responsibility for overseeing and coordinating the implementation of city bike plans, programs, and projects throughout the city. However, the DTS authorities and powers to implement the bike plans and programs are not delineated.

Other departments involved in bike projects

Besides DTS, other city departments involved with bike projects include:

- **Department of Design and Construction (DDC).** As the central agency for administering the city's capital improvement program (CIP), DDC directs and performs planning, engineering, design, and construction of buildings, streets and other public projects.
- **Department of Facilities Maintenance (DFM).** This department plans and administers repair, renovation and maintenance programs for city roads, bridges, buildings, and parking facilities.
- **Department of Planning and Permitting (DPP).** DPP is responsible for the city's long-range and community planning efforts, issues and enforces permits required for development projects, and enforces city standards and requirements for infrastructures.

Bike projects initiated and developed by the above departments may not involve DTS in the planning, design, construction, maintenance and operation of the project. The departments are not required to coordinate or share bike projects plans and information with DTS, and, according to the DTS Director, are not required to design and implement bike projects in accordance with DTS designs or specifications.

DTS Roles and Responsibilities

DTS is the primary department for administering the city's 2012 O`ahu Bike Plan, achieving the plan goals and objectives,

and establishing policies and procedures that support the bike program. The O`ahu Bike Plan contains 358 projects including 84 priority 1 projects; 144 priority 2 projects; and 130 priority 3 projects. The bike plan also contains a Short-Range Implementation Plan of 65 projects and 35 2-year benchmarks for measuring the city's performance and progress in implementing 90% of the projects by August 2017 (see Appendices 2 to 4).

The DTS director states that DTS' role is to be an advocate for bike projects among the other departments. According to the DTS Director, the department lacks the leverage or authority to ensure all city departments comply with the O`ahu Bike Plan and the complete streets ordinance for bike projects. According to DTS staff, each department is responsible for independently complying with the complete streets ordinance and the O`ahu Bike Plan. Independent of DTS, each department is also responsible for determining which, if any, bike project should be included in their projects.

Post January 2013

Prior to January 2013, the previous administrations and the DTS directors placed a low priority on completing bicycle projects. After January 2013, the new mayor priorities included *making Honolulu a bike-friendly city*. The newly appointed DTS Director subsequently initiated several actions and programs for making the city more bike-friendly. The following table lists the 17 projects and initiatives that were either started or reported complete since January 2013. The list includes 6 DDC; 1 DPP; 9 DTS projects, and 1 DTS/DFM project.

Exhibit 2.1**List of Bicycle Projects Started/Completed Since January 2013**

No.	Project/Initiative	Start Date- Notice to Proceed (NTP) Date	Date Completed	Completion Date (DTS)	Department
1	Beretania Street	6/30/2014	TBD	-	DDC
2	Wailua Street	3/5/2012	3/4/13	5/1/2014	DDC
3	Young Street	3/5/2012	TBD	4/1/2013	DDC
4	Varsity Place	3/5/2012	TBD	4/1/2013	DDC
5	Coyne Street	3/5/2012	TBD	4/1/2013	DDC
6	Wai`alae Ave.	7/2/2012	TBD	9/1/2014	DDC
7	Bikeshare Hawai`i Organizational Study		Jun-14		DPP
8	Civic Center (inspection)	6/17/2013	TBD	TBD	DTS
9	Civic Center (construction)	9/9/2013	TBD	TBD	DTS
10	Diamond Head/Monsarrat Ave/Makapu`u Ave/18 th Ave Bikeway Improvements (construction)	10/10/14	TBD	TBD	DTS
11	Diamond Head/Monsarrat Ave/Makapu`u Ave/18 th Ave Bikeway Improvements (inspection)	9/8/2014	TBD	TBD	DTS
12	Hamakua Dr. Bikeway Improvements	8/1/2014	TBD	TBD	DTS
13	Kealaolu Ave. Shoulder Improvements (construction)	8/1/2013	6/9/14	6/9/14	DTS
14	Kealaolu Ave. Shoulder Improvements (inspection)	7/8/2013	TBD	TBD	DTS
15	Kalaheo Ave. Shoulder Improvements (inspection)	7/1/2012	6/4/14	7/31/14	DTS
16	Waipio Point Access Road Improvements	10/4/2010	4/9/12	10/7/2013	DTS
17	King Street Cycle Track	9/8/2014	12/6/2014	12/6/2014 ³	DTS/DFM

³ Date available for public use, project is ongoing

Source: Department of Transportation Services and Department of Design and Construction contract files

Other post-January 2013 initiatives included the following:

- Establishing complete street working groups,
- Coordinating with city departments and community groups to design and complete the Wai'alaie Avenue bike paths,
- Advocating bike-friendly programs among city residents and community groups,
- Ensuring the construction and completion of the King Street Cycle Track,
- Applying for federal grants for eight other cycle track projects in the city,
- Introducing bikeshare initiatives,
- Improving the bike network, rail-bike connections, and bicycle infrastructure,
- Drafting an age-friendly city plan that includes bike-friendly initiatives and incorporating bike-friendly designs into the complete streets program, and
- Promulgating the draft Honolulu Complete Streets Design Manual.

The current DTS Director, since January 2013, has accomplished more than his predecessor in advancing the goals and objectives of the O'ahu Bike Plan. As a result, bike pathways and new bike projects are visible throughout the city.

Sample Results for 32 Bike Projects

For the audit, we sampled 5 DDC, 26 DTS and 1 DTS-DFM bike projects throughout the city. Our review identified several opportunities for improving the administration and management of the bike program. The 32 bike-related projects from both before and after January 2013 showed the need to:

- Establish written policies, procedures, terminology, and definitions for the bike program to facilitate communications, coordination, administration, and implementation of the city bike plan, projects, and program;

- Maintain complete, consistent, accurate and reliable project and fund data, including the actual costs for bike-related facilities and projects;
- Ensure bike project, costs, and fund data are consistent, accurate, reliable, and readily available among project managers throughout the city; and
- Better manage funds and federal grants for bike projects so the use of the funds are used in a timely manner to attain the bike program goals, objectives, and priorities (see Chapter 3).

These improvements will facilitate attaining the 2012 O`ahu Bike Plan goals, objectives and priorities, and the city charter priority for a pedestrian and bike-friendly city.

Exhibit 2.2
List of the 32 Bike Projects Reviewed

<i>No.</i>	<i>Project^{4,5}</i>	<i>Dept. ⁶</i>	<i>Contract No.</i>	<i>Contractor(s)</i>	<i>Date Completed⁷</i>	<i>Closeout Date</i>	<i>Fund</i>	<i>Initial Contract Amount⁸</i>	<i>Bike Costs</i>
1	Keolu Drive (Rehabilitation of Streets, Unit 52)	DDC	CT-DDC-0900426	Grace Pacific Corp.	3/16/2010	7/08/14	620	\$6,980,013	Unknown
2	Asing Park-Misc. Bike Path Improvements	DTS	F06216	Site Engineering (Kaikor)	Cancelled	-	-	\$189,500	Unknown
3	Thomas Square Park and Civic Center Bike Path Center (design) ⁵	DTS	SC-DTS-1100094	Austin, Tsutsumi & Assoc.	-	-	620	\$150,000	Unknown
4	Date Street Bike Path Rehabilitation (construction)	DTS	CT-DTS-1100472	Integrated Construction	12/31/13	3/07/15	620	\$339,850	\$347,392
5	Date Street Bike Path Rehabilitation (design)	DTS	SC-DTS-1000160	AECOM Pacific	2/18/14	5/31/14	620	\$65,000	\$64,990
6	Diamond Head/Monsarrat Avenue/Makapu`u Avenue/18 th Avenue Bikeway Improvements (construction) ^{5, 10}	DTS	CT-DTS-1400188	Royal Contracting	-	-	140,630	\$241,013	\$97,062
7	Diamond Head/Monsarrat Avenue/Makapu`u Avenue/18 th Avenue Bikeway Improvements (design) ⁵	DTS	SC-DTS-1200121	Fukunaga & Associates	-	-	140,620	\$148,000	\$174,962

Exhibit 2.2 (Continued)

No.	Project ^{4, 5}	Dept. ⁶	Contract No.	Contractor(s)	Date Completed ⁷	Closeout Date	Fund	Initial Contract Amount ⁸	Bike Costs
8	Kalaheo Avenue Shoulder Improvements (design) ⁵	DTS	SC-DTS-1000154	Fukunaga & Associates	12/20/13	2/04/15	620	\$229,480	\$213,268
9	Kalaheo Avenue Shoulder Improvements (inspection) ⁵	DTS	SC-DTS-1200124	Manthos Engineering	6/04/14	7/31/14	140,630	\$105,000	\$101,653
10	Kalaheo Avenue Shoulder Improvements (construction) ⁵	DTS	CT-DTS-1200186	Ideal Construction	11/09/12	4/23/14	140,620	\$398,365	\$418,105
11	Kalakaua Avenue Bike Lanes/Lei of Parks Route One (design) ⁵	DTS	SC-DTS-1000153	Wilson Okamoto	-	-	620	\$159,600	\$151,582
12	Kalakaua Avenue Bike Lanes/Lei of Parks Route One (construction) ⁵	DTS	CT-DTS-1200408	Rons Construction	11/15/12	5/22/13	140,630	\$304,670	\$310,970
13	Kapahulu Avenue	DTS	None	-	Cancelled	-	-	-	Unknown
14	Ke Ala Pupukea-Misc. Bike Path Improvements	DTS	F06226 (F-98471)	tm DESIGNERS (Kaikor)	Cancelled	-	-	\$141,450	Unknown
15	Kealaolu Avenue Shoulder Improvements (design)	DTS	SC-DTS-1000177	Belt Collins	-	-	620	\$111,000	\$104,028
16	Kewalo Basin-Misc. Bike Path Improvements	DTS	F06236 (F-98471)	Haron Construction (Kaikor)	Cancelled	-	-	\$60,000	Unknown
17	Meheula Parkway Improvements (construction)	DTS	CT-DTS-1000520	GP Roadway	1/06/11	8/05/11	620	\$61,090	\$61,240
18	Meheula Parkway Improvements (design)	DTS	SC-DTS-0900182	Park Engineering	5/4/12	Unknown	620	\$62,500	\$62,500
19	Metcalf Street Improvements	DTS	None	-	Cancelled	-	-	-	Unknown
20	Misc. UH Improvements	DTS	None	-	Cancelled	-	-	-	Unknown
	Pre-January 2013 Total							\$9,746,531	
21	Beretania Street (Rehabilitation of Streets, Unit 52) ⁵	DDC	CT-DDC-1300367	Road and Highway Builders, LLC	-	-	620	\$9,444,444	Unknown
22	Civic Center Bike Path Improvements (inspection) ⁵	DTS	SC-DTS-1300028	Manthos Engineering	-	-	140,630	\$242,000	\$256,111
23	Civic Center Bike Path Improvements (construction) ⁵	DTS	CT-DTS-1300209	MEI Corporation	-	-	140,630	\$361,000	\$212,393

Exhibit 2.2 (Continued)

No.	Project ^{4,5}	Dept. ⁶	Contract No.	Contractor(s)	Date Completed ⁷	Closeout Date	Fund	Initial Contract Amount ⁸	Bike Costs
24	Diamond Head/Monsarrat Avenue/Makapu'u Avenue/18 th Avenue Bikeway Improvements (inspection) ⁵	DTS	SC-DTS-1500001	Manthos Engineering	-	-	140,630	\$125,600	\$58,276
25	Hamakua Drive Bikeway Improvements (design)	DTS	SC-DTS-1400101	AECOM Technical Services	-	-	140,630	\$100,000	\$32,750
26	Kealaolu Avenue Shoulder Improvements (construction)	DTS	CT-DTS-1300212	Mega Construction	-	-	140,630	\$803,236	\$748,226
27	Kealaolu Avenue Shoulder Improvements (inspection)	DTS	SC-DTS-1300096	Manthos Engineering	-	-	140,630	\$271,000	\$219,943
28	Coyne Street, Varsity Place, Young Street (Rehabilitation of Localized Streets, Phase 6A) ⁵	DDC	CT-DDC-1100399	Grace Pacific Corp.	4/1/2013	Unknown	620	\$11,410,348	Unknown
29	Wailua Street (Rehabilitation of Streets, Unit 25)	DDC	CT-DDC-1200321	Grace Pacific Corp.	5/1/2014	-	620	\$9,569,425	Unknown
30	Wai'alaie Ave. (Rehabilitation of Streets, Unit 57) ⁵	DDC	CT-DDC-1100400	Jas. W. Glover, Ltd.	9/1/2014	-	620	\$9,361,775	Unknown
31	Waipio Point Access Road Improvements (Southern Section) ⁵	DTS	CT-DTS-1000174	Haron Construction, Inc.	4/9/12	11/14/14	630	\$2,969,740	Unknown
32	King Street Cycle Track (Southern Section) ⁵	DTS/DFM	n/a	n/a	12/6/2014 ⁹	n/a	DTS could not provide	n/a	Unknown
	Post-January 2013 Total							\$44,658,568	
	Grand Total							\$54,405,099	

⁴ The city departments (DTS, DDC, DFM, and DPP) lacked a common definition for bike projects, bike contracts, and bike facilities. We therefore defined any project or contract that involved bikeways, bike related facilities, or bike supporting infrastructure as one bike project.

⁵ Project was included in the 2012 O'ahu Bike Plan Short Range Implementation Plan.

⁶ Department of Transportation Services (DTS), Department of Design and Construction (DDC), Department of Facility Maintenance (DFM), Department of Planning and Permitting (DPP).

⁷ (-) Denotes project is in-progress and not complete.

⁸ The total contract amount is the initial contract amount and includes bike and non-bike project costs. Contract amendments, if any, increased the total contract amount.

⁹ Date available for public use, project is ongoing.

¹⁰As of March 20, 2015, the DTS director reported four more Priority 1 projects were completed, and the 4.43 miles of bikeway improvements are available to the cycling community. These include 18th Avenue, Diamond Head Road (Paki Avenue to Fort Ruger Park), Makapu'u Avenue, and Monsarrat-Diamond Head Road (Kaphulu Avenue to Fort Ruger Park).

Source: Department of Transportation Services, Department of Design and Construction, Department of Facility Maintenance (DFM), and Department of Planning and Permitting (DPP) files.

Formal Policies and Procedures, Terminology, and Definitions Are Needed

Written policies, procedures, and standardized terminology and definitions for the bike program help facilitate communications, coordination, administration, and implementation of the city bike plan, projects, and program.

Formal policies and procedures are needed. During the sample, we did not find formal, written policies, procedures, terminology, and definitions for the bike program. Although the city charter for Honolulu assigns DTS the duties and functions for making the city pedestrian- and bicycle-friendly, we did not find a formal program or process for implementing the O`ahu Bike Plan or other bike program initiatives. According to the Bike Plan, the city needs programs and policies that are easy to implement and that will help achieve the plan goals and objectives for establishing bicycling as an alternate transportation mode.

DTS and the other departments rely on an unofficial process for managing the bike program. For example, when a DDC project involves a bike project, DTS participates in the planning and design phase of the project. After the planning and design phase, there is no coordination between DTS and DDC. Although there may be informal communication between the departments, there is no requirement for DDC to inform and report their bike project information to DTS. As a result, DTS was not completely aware of other department project plans, designs, timelines, completion dates, actual costs, funding or other details that related to the city's bike plan.

Without formal bike program policies and procedures, the city cannot ensure that the current initiatives introduced by the current DTS Director will continue if he leaves the city or is reassigned. If the current or future administrations do not place a high priority on bike projects, the city charter priority on making Honolulu a bike-friendly city is unlikely to be achieved. Without a formal process or program, the city may not complete the 84 priority 1 projects or the 65 short-range projects listed in the O`ahu Bike Plan by August 2017.

Without formal policies and procedures, the city and DTS cannot ensure all the bike projects among other departments receive proper oversight, coordination, monitoring, and comply with the complete streets ordinance projects and the O`ahu Bike Plan goals, objectives, and priorities. Absent formal memoranda of agreements with the Hawai`i State Department of Transportation, the city and DTS cannot ensure state roadways will comply with the complete street ordinance bikeway requirements or that the

state will implement the O`ahu Bike Plan for state streets included in the plan.

Since January 2013, the current DTS Director reported he initiated discussions and meetings with other department directors such as DDC, DFM, and DPP to advocate and coordinate bike projects. His staff report they also initiated meetings with other city departments on DTS *stand-alone* bike projects. However, our discussions with DDC and other city personnel involved with bike projects, such as the King Street Cycle Track, indicate the project staff were not fully aware of the decisions and information provided at these meetings.

Formal, standardized definitions and terminology are needed. We did not find formal, standardized definitions and terminology for the bike program. DTS and the other city departments we contacted did not have clear terminology or consistent definitions for the bike projects. For example, during our review of the 32 projects, DTS managers and DDC managers had different definitions for a bike facility project, bike support project, bike-related project, and a stand-alone bike project. The lack of clear definitions and terminology impeded our communications with the DTS and DDC bike project managers and impeded our discussions with other staff involved in the bike projects.

In our opinion, creating clear, consistent formal definitions and terminology for the bike program would facilitate communications among the personnel and staff involved with bike projects, particularly since the city-wide program involves four or more departments (DTS, DDC, DFM, and DPP) and several divisions within the departments.

For instance, DTS and DDC had different definitions for bike projects, bike facilities, and bike contracts. Absent any common definitions, we were unable to distinctly define and classify the bicycle-related projects started, in-process, or completed by DTS, DFM, and DDC. To facilitate analysis of the 32 projects and contracts in our sample, we had to develop our own definitions for the following:

- *Stand-alone bike projects* are bike projects that are implemented by DTS and include only bikeway improvements.
- *Bike facility projects* are bikeway improvements that are a component of a larger roadway or sidewalk improvement project. Bike facility projects include those implemented by DDC and DFM.

- *Bike support projects* based on the bike plan, complement and augment the overall network of bicycle routes, lanes, and paths. Support projects include parking, showers, changing facilities, and projects that integrate bikes with public transit.
- *Other bike related projects* are projects that are not stand-alone or implemented by DTS. The projects are also not a facility or component of a larger roadway improvement project.

Although DTS staff disagreed with our definitions and classifications, neither DTS nor DDC could provide clear, consistent definitions or classifications for the bike projects included in our sample. For instance, we were unsuccessful in categorizing the following projects because neither DTS nor DDC had consistent, uniform definitions, or classifications for bike facility, bike support project, bike stand-alone project, or other bike-related project.

Exhibit 2.3

What Type of Project is Kalakaua Avenue Bike Lane, *Lei of Parks* Route One?



Kalakaua Avenue Bike Lane

Source: Office of the City Auditor

Exhibit 2.4
What Type of Project is Coyne Street and Keolu Drive?



Coyne Street Sharrows



Keolu Drive Bike Lane

Source: Office of the City Auditor

Exhibit 2.5
What Type of Projects are TheBus Bike Racks and Bicycle Racks?



TheBus Bike Racks



Kahala Bicycle Staging Area

Sources: O'ahu Bike Plan, Office of the City Auditor

Exhibit 2.6

What Type of Project is the King Street Cycle Track?



King Street Cycle Track

Source: Office of the City Auditor

**Better Coordination
Is Needed**

Our review of the 32 bike projects showed DTS and the other city departments need to increase and improve coordination for bike activities, plans, and projects. Prior to January 2013, our sample indicated bike projects had minimal coordination and communication among the departments involved with the bike projects. After January 2013, the current DTS Director reported he initiated coordination with DDC, DFM, DPP, and other departments on bike projects. Agendas, meeting minutes and e-mails show formal meetings were held to coordinate bike project design, planning, and construction. However, the coordination efforts were related to the complete streets ordinance and the prototype King Street Cycle track, rather than the O`ahu Bike Plan.

The O`ahu Bike Plan contains 65 short term implementation projects. Fifty-eight of the 65 short term implementation projects are priority 1 projects that are supposed to be completed by 2017.

As of early 2015, only ten short-range priority 1 projects were completed.¹¹ In order to complete the remaining 48 short term priority 1 projects by 2017, DTS and the other city departments will have to closely coordinate and integrate the short term projects into the complete streets projects underway.

The bike plan contains 35 benchmarks for measuring the city's performance and progress in implementing the O`ahu Bike Plan. DTS reported 20 of the 35 benchmarks were completed, 5 were partially implemented, and 10 were not completed by the August 2014 deadline. Of the 20 benchmarks completed, 6 were met by reaching out to neighborhood and special interest biking groups and coordinating DTS' and the advocacy groups' efforts. Similar, innovative coordination will be needed by DTS and the other city departments to attain the August 2017 deadline for the priority 1 projects in the O`ahu Bike Plan.

Complete, Consistent, Accurate, Reliable, and Readily Available Project and Funding Data Are Needed

Project data, dates, deadlines and funding should be consistent, accurate, reliable, and readily available to project managers throughout the departments and the city. Bike project budgets, actual costs, and funding data should be complete, consistent, accurate, reliable, and readily available among project managers. This type of data are needed for effective and efficient monitoring, management, and reporting on bike projects.

Project data. The O`ahu Bike Plan lists 65 short range projects for completion by August 2017. To achieve the bike plan goals, objectives, and target dates, DTS, DDC, and DFM managers will need complete, accurate, and reliable project information such as accurate deadlines, timetables, notices to proceed, and project completion dates. The project information will also be needed to evaluate the progress of bike related projects.

During our sample of the 32 bike projects, bike project staff in the city departments were unable to provide us complete, consistent, accurate, reliable, and readily available project information. For example, our initial request for a complete list of bike projects was incomplete and inconsistent with information gathered from the contract files. Bike project start and completion dates, funding

¹¹ As of March 20, 2015, the DTS director reported four more Priority 1 projects were completed, and the 4.43 miles of bikeway improvements are available to the cycling community. These include 18th Avenue, Diamond Head Road (Paki Avenue to Fort Ruger Park), Makapu`u Avenue, and Monsarrat-Diamond Head Road (Kapahulu Avenue to Fort Ruger Park).

sources, status, actual project costs, and other data requested were incomplete, inconsistent, not completely accurate or unreliable, and not readily available. As a result, we did not have complete, accurate, consistent, or reliable data for the bike projects selected for our sample throughout the audit.

In another example related to our sample, DTS managers reported 12 bike related projects were completed as of October 2014. We found that 6 of the 12 project dates were estimated and based on the DTS bike coordinator's judgment instead of the actual project documents because the DTS bike coordinator did not have complete, accurate, and readily available project information for tracking bike related projects. Although the DTS responsibilities included participating in long-range planning for bicycle-related capital improvement projects, it did not have complete information on when bike facilities projects were completed. As a result, file pictures were used to determine the approximate dates when the projects in our audit sample were completed.

Funding data. Our sample showed that project and funding data were inconsistent, inaccurate, unreliable and not readily available. This condition existed because DTS and the other departments involved with implementing the bike projects did not maintain data on systems, such as the city enterprise resource management system (C2HERPS), which are accessible to others. During our review, we found no record of fund data for the bike projects in the city's financial management program (CH²ERPS). DTS subsequently confirmed that CH²ERPS is not used to maintain and track funds used for bike-related projects.

DTS and the other departments also did not share project or funding data with other project managers. As a result, for the sample, DTS and DDC could not readily provide the actual, total costs for the city bike-related projects, and could not accurately and readily quantify the amount of funds received or used for the O`ahu Bike Plan projects.

The O`ahu Bike Plan states that funding for projects and programs is critical to the plan's execution. We found bike funding data were inconsistent among project managers and among DTS, DDC, and DFM managers involved with the bike related projects. As of June 30, 2013, we identified over \$3.2 million in bike-related

funds that lapsed. As of June 30, 2014, we identified an additional \$353,000 in bike funds that lapsed.¹² If the \$3.64 million in city funds continue to lapse and federal funds were de-obligated, the reduction of funds would adversely impact the city's ability to accomplish the goals, objectives, and deadlines in the O'ahu Bike Plan. (See Chapter 3 for more details).

During our sampling, a bike project manager reported that data on the federal funds were not available for bike related projects. Another manager found that DTS does maintain federal fund data. In another instance, a manager reported that the American Recovery and Reinvestment Act of 2009 (ARRA) funds were not used to construct any bike facilities, we found however that ARRA funds were used for the Waipio Point Access Road Improvements project which included bike path improvements from the Pearl Harbor Bike Path to the Waipio Soccer Park.

Without accurate and reliable project and funding data, DTS, DDC, and DFM were unable to completely quantify or identify the total capital costs related to the bike plan, and were unable to track, monitor, and expend bike-related federal, state and city bike plan related funds before they lapsed or expired.

Actual bike project costs are unknown. The bike plan contains estimated costs totaling \$68 million for bike projects. DTS was unable to provide costs for all bike-related projects because bike facility costs were mixed into the cost of other projects such as the complete streets projects mandated by city ordinance, and bike-related project costs were not separately tracked or identified.

For example, as a part of the city complete streets ordinance, DDC and DFM were required to incorporate bike facilities into their projects. In the DDC Rehabilitation of Localized Streets, Phase 6A project, DDC implemented the bike plan projects for Coyne Street, Varsity Place, and Young Street by constructing bike facilities, but the bike-related project costs were not separately identified and tracked.

¹²DTS contends no formal de-obligation of the funds occurred and the funds do not expire, therefore the funds have not lapsed. DTS could not provide copies of any federal grants that show the federal funds do not expire. Federal and state personnel responsible for distributing the bike grants stated although the funds have not been de-obligated, they were concerned the de-obligation could occur at any time. City bike project funds returned to the city bikeway and highway funds may not be available for the same bike projects in future capital budgets.

For the Wai`alae Avenue project, DDC bike lane striping costs were included in the lump-sum striping costs for the entire project and not segregated. As a result, DDC could not provide complete and consistent bike project costs.

For the King Street Cycle Track, DTS planned and designed the project and DFM constructed the new King Street Cycle Track. The departments did not segregate the bike-related project costs. As a result, DTS and DFM could not readily provide complete and consistent bike project costs for the project. (Photos of the King Street Cycle Track are shown below.)

Exhibit 2.7
King Street Cycle Track Photos



King Street Cycle Track

Source: Office of the City Auditor

The following table lists other examples of mixed projects that included bike related costs that were not tracked separately. DTS and DDC could not provide bike project costs for the projects. Without the actual bike related costs, DTS and DDC were unable to identify any savings or cost overruns for these bike projects.

Exhibit 2.8 Sample of Mixed Projects that Included Bike Related Facilities

<i>Project</i>	<i>Bike Facility</i>	<i>Contract No.</i>	<i>Fund</i>	<i>Contract Amount¹³</i>	<i>Bike Project Cost</i>
Waipio Point Access Road Improvements	Waipio Point Access Road (Southern Section)	CT-DTS-1000174	630	\$ 2,969,740	Unknown
Rehabilitation of Beretania Street, Unit 64-R	Beretania Street	CT-DDC-1300367	620	\$ 9,444,444	Unknown
Rehabilitation of Streets, Unit 52	Keolu Drive	CT-DDC-0900426	620	\$ 6,980,013	Unknown
Rehabilitation of Localized Streets, Phase 6A	Coyne St., Varsity Pl., Young St.	CT-DDC-1100399	620	\$ 11,410,348	Unknown

¹³ Contract amount includes bike and non-bike project costs.

Source: Bike Plan, Department of Transportation Services, Department of Design and Construction

Project cost should be readily available. Actual costs for bike projects built by DDC or DFM were not readily available although these departments contributed to the bike program by incorporating bike facilities into their own projects. For example, DDC project managers did not track, monitor, or identify bike project costs for their street resurfacing and repaving projects. For the King Street resurfacing project, DTS project managers were unable to quantify the bike project costs because the project managers did not have ready access to DFM or DDC costs for the project. The incomplete DFM information resulted in understated and incomplete bike project costs for the King Street project.¹⁴

During our audit, the DTS Director reported he initiated a letter to other departments and the managing director that addressed the issue of accounting for bikeway project costs, as well as other complete street issues.

¹⁴ Subsequent to the audit, DFM provided labor costs to DTS of \$180,641.02. DTS' material costs totaled \$38,267.73

Recommendations

The Managing Director and the Director of the Department of Transportation Services should:

1. Establish formal written policies, procedures, terminology, and definitions for the bike program that will facilitate bike plan communications, bike project coordination, program administration, and successful implementation of the 2012 O`ahu Bike Plan.
2. The formal policies and procedures should provide DTS or an oversight body the authority to oversee, coordinate, monitor, and manage all bike projects among all city departments.
3. The O`ahu Bike Plan includes State of Hawai`i streets. The city should negotiate memoranda of agreements with the State of Hawai`i Department of Transportation (HDOT) that ensure the bike plan and complete streets ordinance requirements are implemented.
4. DTS should negotiate memoranda of agreements with other city departments that provide DTS or an oversight body the authority to implement bike projects identified in the O`ahu Bike Plan and bike projects related to the complete streets ordinance.
5. As appropriate, the city charter commission should consider amending the city charter to institutionalize the formal policies and procedures related to the bike projects.
6. Maintain complete, consistent, accurate and reliable bike project and funding data, and ensure bike project and funding data are consistent and readily available among project managers throughout the city. The data should help DTS and other city departments attain the city charter priority of making Honolulu a pedestrian and bicycle-friendly city.
7. Develop and ensure the database of bike projects includes project costs; project funds available, expended, and available; actual bike project costs; funding sources and amounts; fund expiration dates; fund lapse dates; fund requirements; project start and completion dates; and other data needed to efficiently and effectively manage all bike projects, funds, and progress in implementing the bike plan.

8. Use the database to increase accountability and measure the city's performance in attaining the O'ahu Bike Plan goals, objectives, and visions; and facilitate tracking, monitoring, administration, and evaluation of the city's progress in making Honolulu a bike-friendly city.
9. Use the database to ensure all city departments comply with the complete street ordinance requirements for bike and bikeway projects that will make Honolulu a bike-friendly city.

Chapter 3

Improved Administration of Bike Funds Will Prevent Loss of Funds for Bike Projects

The city and Department of Transportation Services needs to better manage bike project funds and federal grants so the funds are used in a timely manner to attain the bike program goals, objectives, and priorities. As of December 2014, we identified over \$3.64 million in bike related funds, grants, and appropriations that had lapsed or were at risk of lapsing. Prior to January 2013, over \$3.2 million in city and federal funds lapsed. After January 2013, over \$353,800 in bike funds lapsed.¹⁵ If the city funds continue to lapse and federal funds are de-obligated, the loss will adversely affect DTS and the city's ability to achieve the goals, objectives, and priorities itemized in the O`ahu Bike Plan and the city charter priority for a pedestrian and bicycle friendly city. The city's external auditors reported the administration of federal funds was a material weakness in the city internal controls. The external auditor also recommended that the city review its grant agreements to identify all program requirements and implement procedures to ensure compliance with the federal requirements.

Background

Since FY 2011, the DTS and the city received approximately \$5.6 million in federal funding for 10 bicycle projects. Exhibit 3.1 lists the federally funded projects we reviewed. (Appendix 7 provides additional details.)

¹⁵DTS contends no formal de-obligation of the funds occurred and the funds do not expire, therefore the funds have not lapsed. DTS could not provide copies of any federal grants that show the federal funds do not expire. Federal and state personnel responsible for distributing the bike grants stated although the funds have not been de-obligated, they were concerned the de-obligation could occur at any time. City bike project funds returned to the city bikeway and highway funds may not be available for the same bike projects in future capital budgets.

Exhibit 3.1 Federally Funded Bike Projects (10 Projects)

<i>Project</i>	<i>Contract No.</i>	<i>Contractor</i>	<i>Notice to Proceed (NTP) Date</i>	<i>Date Completed</i>	<i>Fund No.</i>	<i>Total Contract Amount¹⁶</i>	<i>Bike Cost</i>
Waipio Point Access Road (Southern Section)	CT-DTS-1000174	Haron Construction, Inc.	10/4/2010	4/09/2012	630	\$2,969,740	Unknown
Kalaheo Avenue (inspection)	SC-DTS-1200124	Manthos Engineering	7/1/2012	6/04/2014	140, 630	\$105,000	\$101,653
Kalaheo Avenue (construction)	CT-DTS-1200186	Ideal Construction	9/4/2012	11/09/2012	140, 630	\$398,365	\$418,105
Pre-January 2013						\$3,473,105	
Civic Center (inspection)	SC-DTS-1300028	Manthos Engineering	6/17/2013	-	140, 630	\$193,600	\$256,111
Kealaolu Avenue (inspection)	SC-DTS-1300096	Manthos Engineering	7/8/2013	-	140, 630	\$271,000	\$219,943
Kealaolu Avenue (construction)	CT-DTS-1300212	Mega Construction	8/1/2013	6/09/2014	140, 630	\$803,236	\$748,226
Civic Center Bike Path (construction)	CT-DTS-1300209	MEI Corporation	9/9/2013	-	140, 630	\$361,000	\$212,393
Hamakua (design)	SC-DTS-1400101	AECOM Technical Services	8/1/2014	-	140, 630	\$100,000	\$32,750
Diamond Head (inspection)	SC-DTS-1500001	Manthos Engineering	9/8/2014	-	140, 630	\$125,600	\$58,276
Diamond Head (construction)	CT-DTS-1400188	Royal Contracting	DTS is waiting for Construction Manager input	-	140, 630	\$241,013	\$97,062
Post January 2013						\$2,095,449	
Total						\$5,568,554	

¹⁶ The total contract amount is the initial contract amount and includes bike and non-bike project costs. Contract amendments, if any, increased the total contract amount.

Source: Department of Transportation Services

Hawai`i State Department of Transportation (HDOT) administers federal bike funds

Federal funds are distributed through the State of Hawai`i Department of Transportation¹⁷ to sub-recipients such as the City and County of Honolulu.

- The city uses the Federal Grants Capital Projects Fund (Fund 630) for monies received from the HDOT and other federal government sources. The federal funds are usually in the form of grants, entitlements, shared revenues or payments in lieu of taxes, and other monies appropriated for capital projects that are transferred into this fund. The funds, particularly the federal grant funds, must be expended for the purposes received or appropriated. For federal grants, the city receives funds through a reimbursement process.

For nine of the above projects reviewed, federally funding totaled 80% and city funds comprised 20% of the project funds. These federal funded bike projects included the Kealaolu Avenue Shoulder Improvements; Kalāheo Avenue Shoulder Improvements; the Civic Center projects currently underway; and the new Diamond Head and Hamakua bike projects. For the 10th project, federal funds comprised 100% of the project funding for the Waipio Point Access Road Improvements project. Photos of some of the federal funded projects are shown in Exhibit 3.2.

¹⁷ The State of Hawai`i Department of Transportation administers these funds and distributes the funds to the city. The city and DTS received federal funds from the U.S. Department of Transportation Federal Highway Administration (FHWA) as a sub-recipient.

Exhibit 3.2
Examples of Federally Funded Bike Projects (Continued)



Kalaheo Avenue Shoulder Improvements



Kealaolu Avenue Shoulder Improvements



Waipio Point Southern Section



Civic Center Bike Path Improvements

Source: Office of the City Auditor

City funding for bike projects

Besides the Federal Grants Capital Projects Fund (Fund 630), other sources of funds for bicycle projects included the city Bikeway Fund (Fund 140), and the city Highway Improvement Bond Fund (Fund 620). For FY 2006 through 2014, the bike funds from the non-federal sources totaled \$5.17 million. This amount included \$2.92 million for bike-related projects (Fund 140) and \$2.25 million for highway improvement projects (Fund 620).

- The city Bikeway Fund (Fund 140) is comprised of bicycle and moped registration fees, transfer fees, penalties, fines, and charges for duplicate tags and certificates of registration. These monies are earmarked for the operation, acquisition, and other costs related to bikeways. If the funds appropriated each fiscal year are unused, they automatically revert (lapse) back into the city Bike Fund.
- The city Highway Improvement Bond Fund (Fund 620) contains the proceeds from general obligation bonds issued to pay for highway capital projects and related bike improvements. If the funds are not used by the end of the fiscal year, they lapse.

Material Weakness Reported by City External Auditor

Funding for bike projects is critical to the execution of the O`ahu Bike Plan and implementing the city charter priority for a bicycle and pedestrian friendly city. As a sub-recipient of federal funds, the city must comply with federal rules and requirements related to the grants and funds, including timely submission of reimbursement claims. To ensure compliance with the federal rules, DTS and the rest of the city must ensure project activities are timely completed and adequately documented.

For FY 2013-2014, the city's external auditor reported material weaknesses in the city's administration of U.S. Department of Transportation funds passed through the Hawai'i State Department of Transportation. A material weakness is the most serious level of deficiency for internal controls and indicates a material noncompliance with federal program requirements cannot be prevented and corrected on a timely basis.

The city external auditor recommended that the city review its grant agreements to identify all program requirements and to implement procedures to ensure compliance with the federal requirements.

During our review, we confirmed that DTS and the city lacks adequate controls to comply with the federal fund requirements. For example, DTS and the city lack procedures for ensuring bike related projects are started and completed within the timeframes stipulated by the federal agencies. Without proper controls, DTS and the city are unable to monitor, track, and expend federal funds before the funds expire and risk losing the use of federal funds and grants.

Potential for loss of the federal funding is high

Based on our review of federal fund documentation and discussions with State of Hawai'i Department of Transportation and Federal Highway Administration (FHWA) representatives, we determined the city could lose federal funding:

- If the city fails to use the funds within the period of availability of funds;
- If reimbursements are untimely;
- If the actual project costs are lower than the estimated costs and funds are not re-obligated; or
- If funds become inactive.

Lapsing funds

As of December 2014, we identified over \$3.64 million in bike-related funds, grants, and appropriations that had lapsed or were at risk of lapsing. Prior to January 2013, over \$3.2 million in city and federal funds lapsed. After January 2013, over \$353,800 in bike funds lapsed.^{18,19} The lapse rate averaged 39.71% before January 2013 and declined to 33.57% after January 2013.

¹⁸ DTS contends no formal de-obligation of the funds occurred and the funds do not expire, therefore the funds have not lapsed. DTS could not provide copies of any federal grants that show the federal funds do not expire. Federal and state personnel responsible for distributing the bike grants stated although the funds have not been de-obligated, they were concerned the de-obligation could occur at any time. City bike project funds returned to the city bikeway and highway funds may not be available for the same bike projects in future capital budgets.

¹⁹ According to DTS, funds were lapsed as a result of an administration decision not to proceed with design on a CIP project. The city administration is working with the State to reprogram the funds for another project.

Exhibit 3.3
Lapsed Funding (FY 2006 – FY 2014)

<i>Fiscal Year</i>	<i>Amounts Appropriated</i>	<i>Amount Expended/ Encumbered</i>	<i>Amount Lapsed</i>	<i>Funds Lapsed (%)</i>
2013-2014	\$1,054,000	\$700,120	\$353,880	33.57%
Post January 2013 Total	\$1,054,000	\$700,120	\$353,880	33.57%
2012-2013	\$1,343,600	\$1,035,567	\$308,033	22.93%
2011-2012	\$1,080,800	\$1,065,638	\$15,163	1.40%
2010-2011	\$2,256,000	\$993,735	\$1,262,265	55.95%
2009-2010	\$1,150,000	\$538,135	\$611,865	53.21%
2008-2009	\$1,001,000	\$886,312	\$114,688	11.46%
2007-2008	\$1,000,000	\$461,725	\$538,275	53.83%
2006-2007	DTS reports there was no CIP funding for Bicycle Projects in FY 07			
2005-2006	\$447,000	\$10,000	\$437,000	97.76%
Pre-January 2013 Total	\$8,278,400	\$4,991,112	\$3,287,288	39.71%
Total	\$9,332,400	\$5,691,232	\$3,641,168	39.02%

Source: Office of the City Auditor analysis of DTS contract and project files

DTS staff contend no formal de-obligation of the funds occurred and the funds do not expire, therefore the funds have not lapsed. DTS staff could not provide copies of any federal grants that show the federal funds do not expire. Federal and HDOT personnel responsible for distributing the bike grants stated although the funds have not been de-obligated, they were concerned the de-obligation could occur at any time.

DTS staff also stated city bikeway funds are not lost because the funds revert back to the city reserve funds for future use. DTS personnel could not ascertain that the city bike project funds returned to the city bikeway funds would be available for the same bike projects in future capital budgets.

DTS managers stated a portion of the lapsed funds were due to the projects coming under the estimated amounts and represented savings for the city. Had DTS project managers taken action to use the excess funds to start new projects or to reprogram the

funds for new projects that were authorized and listed in the O`ahu Bike Plan, the city could have maximized the use of the bike funds.

Improved Fiscal Fund and Project Controls Are Needed

Federal Grant Rules. As a sub recipient of federal funding, DTS is responsible for meeting all Federal requirements for grants and cooperative agreements. The Uniform Administrative Requirements for Grants and Cooperating Agreements (Common Grant Rule) requires that sub-recipients have adequate fiscal control to permit production of necessary reports, trace the source of funds to a particular expenditure or expenditures, and demonstrate compliance with applicable Federal laws and regulations.

The rule also requires the sub-recipient to properly document project activity, grant access to the records, and maintain these records for three years after the final expenditure report is submitted. The Common Grant Rule also includes after-the-grant requirements to ensure timely closeouts so that projects do not get labeled as inactive. Timely close outs also provides the benefit of releasing any remaining funds, which can be used to authorize new projects.

Hawai`i State Grant Rules. In addition to the federal grant rules, the Hawai`i's HDOT rules²⁰ state the city must maintain a system to set and track project milestone dates; review fiscal activity on a monthly basis; and maintain a list of all ongoing federal aid projects with a summary of project statuses. The city must also participate in HDOT project status meetings; over- the-shoulder review (OSR) meetings; meet with HDOT as requested; and provide HDOT monthly status updates as requested. If the project is funded by any economic stimulus related funds (such as the American Recovery and Reinvestment Act of 2009 - ARRA funds), a semi-monthly request for reimbursements is required.

The HDOT grant rules further state that HDOT and/or the FHWA may de-obligate the funds from the inactive project if the new project obligations are inactive for 12 months or more since the project was authorized. To avoid de-obligation, the city must provide reasonable justification for the inactivity or must take timely action to resolve the inactivity. To avoid inactivity, the city must bill to and claim federal reimbursement on a timely basis.

²⁰ Hawai`i Department of Transportation LPA Manual for Federal-Air Projects, Chapter 4: Project Management.

***State of Hawai`i reports
DTS and the city need to
improve compliance with
federal requirements***

HDOT managers reported DTS and city reimbursement requests are not timely and HDOT encountered problems with DTS and city compliance with federal requirements. Besides reporting untimely responses from DTS and the city, HDOT stated DTS and the city lacked a complete, consistent, accurate, reliable, and readily accessible paper trail or adequate documentation to support the reimbursement requests.

Inactive bike projects. As a result, HDOT reported some of the bike related projects were considered inactive. According to HDOT, if projects are classified as inactive, federal funds could be de-obligated and the city may lose the funding for the bike related projects. If HDOT places other projects on the inactive list, future funding for new bike projects might not occur.

For example, according to HDOT, the Hamakua Bikeway Improvements project was considered inactive as of August 2014 because no reimbursement request had been submitted since the funds were obligated in July 2013.²¹ Projects are considered inactive if funds have not been expended for more than 12 months. If this project was formally classified as inactive by HDOT, the city would be at risk of losing funds that could be used to complete other priority projects listed in the master bike plan.

***DTS and the city need to
improve compliance with
federal requirements***

DTS and other city staff did not have copies of the federal grant agreements and used the Form 1240 received from the HDOT to administer the federal funds. The Form 1240 did not contain the terms, conditions, or the expiration dates for the federal funds. The external auditor for the city recommended that the city review its grant agreements to identify all program requirements and implement procedures to ensure compliance with the grant terms and conditions.

Without copies of the grant agreements, DTS and the other city departments could not ensure compliance with the terms and conditions of the federal bike funds and grants. The importance of knowing the grant requirements is illustrated as follows.

²¹ Subsequent to the audit, DTS submitted reimbursements for Hamakua Drive Bikeway Improvements to HDOT. The project is no longer considered inactive and the latest payment to date was February 24, 2015.

On April 15, 2014, a HDOT letter sent to DTS listed additional conditions for all new and future projects. The FHWA established new conditions on federally funded projects as a result of the lack of timeliness with federally funded projects in recent years. The new conditions required that:

- a) A contract must be awarded within 120 days from obligation;
- b) The notice to proceed must be issued within 180 days from obligation;
- c) The project must be closed 365 days from final acceptance; and
- d) Quarterly reporting would be required for all federal aid construction projects.

If the new requirements were applied to the pre-January 2013 projects, the city bike projects would be considered noncompliant with the new federal rules. Exhibit 3.4 shows the amount of days between the construction authorization date and the notice to proceed date for three federally funded bike projects. The projects were all above 120 days from the contract award date to obligation of the federal funds, and over 180 days from the notice to proceed to obligation of federal funds date. The Kalaheo Avenue Shoulder Improvements project was the only project completed and exceeded 365 days between final acceptance and closeout date.

**Exhibit 3.4
Federally Funded Bike Project Timeline and Day Counts**

<i>Project</i>	<i>Construction Authorization/Obligation</i>	<i>Contract Awarded</i>	<i>Notice to Proceed (NTP)</i>	<i>Reported Closeout Date</i>	<i>Date of Final Payment</i>	<i>Total Days From Obligation to Contract Award</i>	<i>Total Days From Obligation to NTP</i>	<i>Total Days From Closeout Date to Date of Final Payment</i>
Kealaolu Avenue Shoulder Improvements	9/19/2012	4/30/2013	8/01/2013	-	-	223	316	-
Kalaheo Avenue Shoulder Improvements	9/22/2011	3/07/2012	9/04/2012	11/09/2012	8/20/2014	167	348	644
Civic Center Bike Path Improvements	9/07/2012	4/22/2013	9/09/2013	-	-	227	367	-

Source: Department of Transportation Services, State of Hawai'i Department of Transportation, and Office of the City Auditor

The example indicates that DTS and the other city departments need to obtain copies of the federal grants; need to ensure compliance with the grant terms and conditions; and need to improve the timeliness and management of its bike related projects. Failure to comply with federal timelines exposes DTS and the city to the potential loss of federal funding for its bike projects.

Besides the recently implemented FHWA conditions for reporting of all federal aid construction projects, the U.S. Office of Management and Budget (OMB) new guidance on *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Title 2 of the Code of Federal Regulations and dubbed the “Super Circular”) established new requirements that affects all entities receiving and administering federal awards. After December 26, 2014, non-federal entities must strengthen oversight over federal funds to reduce risks of waste, fraud and abuse, and comply with other requirements for streamlining and reducing administrative burdens. To comply with the new requirements, DTS and city staff need to ensure that they maintain complete, consistent, accurate, reliable, readily accessible, and adequate documentation of project data, funding data, and project status information that comply with the quarterly and other reporting requirements for federally funded bike related projects.

Recommendations

The Managing Director and the Director of the Department of Transportation Services should:

10. Better manage bike-related funds received by the city by ensuring and providing complete, consistent, accurate, reliable, and readily available bike project and fund data to all project managers (including DTS, DDC, DFM, DPP project managers) involved with bike related projects.
11. Ensure bike fund databases include copies of the federal grant agreements, grant terms and conditions, grant and fund expiration dates, lapse dates, grant reporting requirements, and data that are complete, consistent, accurate, reliable, and readily available.
12. Ensure bike funds are used to attain city charter and bike plan goals, objectives, benchmarks, and priorities before the funds lapse or expire.

13. Establish policies and procedures for a formal and routine reconciliation of city, state, and federal bike funds to identify and quantify available bike funds before they lapse.
14. Establish formal processes for ensuring the city complies with federal grant, reporting, accounting, and document requirements.

Chapter 4

Conclusion and Recommendations

The City and County of Honolulu’s mild year round climate, relatively flat coastal plain, and physical beauty make it ideal for bicycle transportation. Bike projects can transform the highly livable community and public spaces into a safe, convenient, accessible, and attractive form of transportation. The Department of Transportation Services (DTS) and other city departments play an important role in developing bicycling as an alternative mode of transportation. The city charter assigns DTS the priority to make the city bicycle friendly.

Prior to January 2013, DTS directors placed a low priority on completing bicycle projects. After January 2013, the new mayor priorities included *making Honolulu a bike-friendly city*. The newly appointed DTS Director subsequently initiated several actions and programs for making the city more bike friendly, including starting or completing 17 bike projects.²¹ By August 2014, 20 of the city’s O`ahu Bike Plan two-year benchmarks were met and 5 of the 35 benchmarks were partially implemented. As a result of its recent efforts, the city was designated at the Bronze level by the League of American Bicyclists for a Bicycle Friendly Community. Most recently, the King Street Cycle Track pilot project was dedicated. The demonstration project is the city’s first protected bike lane established to encourage safe bikeways and to make sidewalks safer for pedestrians. Some of the improved and new bikeways were created to support the new rail system and the transit oriented multi-modal transportation under development.

Despite these achievements, improved program administration is needed to achieve the city charter and O`ahu Bike Plan goals, objectives, and priorities. Our sample of 32 bike projects indicated that DTS and the city need to develop formal policies and procedures; standardize terminology and definitions; and better coordinate bike activities, plans, and projects among the four departments²² and many divisions involved with bike projects.

²¹ As of March 20, 2015, the DTS director reported four more Priority 1 projects were completed, and the 4.43 miles of bikeway improvements are available to the cycling community. These include 18th Avenue, Diamond Head Road (Paki Avenue to Fort Ruger Park), Makapu`u Avenue, and Monsarrat-Diamond Head Road (Kapahulu Avenue to Fort Ruger Park).

²² The Departments of Transportation Services (DTS); Design and Construction (DDC); Facilities Maintenance (DFM); and Planning and Permitting (DPP) are the major departments involved with bike projects.

Complete, consistent, accurate, reliable, and readily accessible project and funding data are also needed.

Based on our sample results, improved administration of bike funds is also needed. The Hawai`i State Department of Transportation administers the federal bike funds distributed to the city. The city bikeway and highway funds provide additional funds for bike projects. Improved fund administration will prevent the loss of use of the bike project funds. As of December 2014, we identified over \$3.64 million in bike related funds, grants, and appropriations that had lapsed or were at risk of lapsing. Prior to January 2013, over \$3.2 million in city and federal funds lapsed. After January 2013, over \$353,800 in bike funds lapsed.²³ Although the federal funds have not been de-obligated, HDOT states the funds can be de-obligated at any time. The external auditor reported a material weakness in the city's administration of federal funds and recommended that the city review its grant agreements to identify and comply with all federal grant requirements. Our sample results confirmed the need to improve compliance with federal grant and reporting requirements.

Recommendations

The Managing Director and the Director of the Department of Transportation Services should:

1. Establish formal written policies, procedures, terminology, and definitions for the bike program that will facilitate bike plan communications, bike project coordination, program administration, and successful implementation of the 2012 O`ahu Bike Plan.
2. The formal policies and procedures should provide DTS or an oversight body the authority to oversee, coordinate, monitor, and manage all bike projects among all city departments.
3. The O`ahu Bike Plan includes State of Hawai`i streets. The city should negotiate memoranda of agreements with the State of Hawai`i Department of Transportation (HDOT) that ensure

²³ DTS contends no formal de-obligation of the funds occurred and the funds do not expire, therefore the funds have not lapsed. DTS could not provide copies of any federal grants that show the federal funds do not expire. Federal and state personnel responsible for distributing the bike grants stated although the funds have not been de-obligated, they were concerned the de-obligation could occur at any time. City bike project funds returned to the city bike and highway funds may not be available for the same bike projects in future capital budgets.

the bike plan and complete streets ordinance requirements are implemented.

4. DTS should negotiate memoranda of agreements with other city departments that provide DTS or an oversight body the authority to implement bike projects identified in the O`ahu Bike Plan and bike projects related to the complete streets ordinance.
5. As appropriate, the city charter commission should consider amending the city charter to institutionalize the formal policies and procedures related to the bike projects.
6. Maintain complete, consistent, accurate and reliable bike project and funding data, and ensure bike project and funding data are consistent and readily available among project managers throughout the city that will help DTS and other city departments attain the city charter priority of making Honolulu a pedestrian and bicycle-friendly city.
7. Develop and ensure the database of bike projects includes project costs; project funds available, expended, and available; actual bike project costs; funding sources and amounts; fund expiration dates; fund lapse dates; fund requirements; project start and completion dates; and other data needed to efficiently and effectively manage all bike projects, funds, and progress in implementing the bike plan.
8. Use the database to increase accountability and measure the city's performance in attaining the O`ahu Bike Plan goals, objectives, and visions; and facilitate tracking, monitoring, administration, and evaluation of the city's progress in making Honolulu a bike-friendly city.
9. Use the database to ensure all city departments comply with the complete street ordinance requirements for bike and bikeway projects that will make Honolulu a bike-friendly city.
10. Better manage bike-related funds received by the city by ensuring and providing complete, consistent, accurate, reliable, and readily available bike project and fund data to all project managers (including DTS, DDC, DFM, DPP project managers) involved with bike related projects.

11. Ensure bike fund databases include copies of the federal grant agreements, grant terms and conditions, grant and fund expiration dates, lapse dates, grant reporting requirements, and data that are complete, consistent, accurate, reliable, and readily available.
12. Ensure bike funds are used to attain city charter and bike plan goals, objectives, benchmarks, and priorities before the funds lapse or expire.
13. Establish policies and procedures for a formal and routine reconciliation of city, state, and federal bike funds to identify and quantify available bike funds before they lapse.
14. Establish formal processes for ensuring the city complies with federal grant, reporting, accounting, and document requirements.

Management Response

The Department of Transportation was proactive in addressing many of the issues that emerged during the audit. During the review, we held discussions relating to the challenges of the bike program and the department took corrective actions. As a result, some of the recommendations were partially implemented prior to the release of the audit report.

The Managing Director, on behalf of the Department of Transportation Services, agreed with most of the recommendations. Our recommendation that the city charter commission consider amending the city charter to institutionalize policies and procedures related to the bike projects is addressed to the city charter commission. The transportation department commented that the recommendation to use a database of bike projects to ensure all city departments comply with the complete streets ordinance requirements for bike and bikeway projects may not ensure compliance with the ordinance. According to the department, a strong administration policy that supports Honolulu becoming a bicycle friendly city is also needed. We believe, however, that the database will facilitate coordination and transparency among the departments involved with the complete streets ordinance and any related bike projects.

The management response explains that \$353,800 in funds were allowed to lapse after January 2013 because the administration decided not to proceed with the projects. The city administration is working with the State of Hawaii to reprogram the funds for another project. Based on the management response, we updated

Exhibit 2.2 and made technical, non-substantive changes to the draft report for purposes of accuracy, clarity, and style.

We thank the Managing Director and the Departments of Transportation Services, Budget and Fiscal Services, and Design and Construction for their assistance and cooperation during this audit. A copy of the Managing Director's full response can be found on page 46.

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR



HOY K. AMEMIYA, JR.
MANAGING DIRECTOR
GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

April 7, 2015

Mr. Edwin S.W. Young, City Auditor
Office of the City Auditor
City and County of Honolulu
1001 Kamokila Boulevard, Suite 216
Kapolei, Hawaii 96707

Dear Mr. Young:

**SUBJECT: Comments on Final Draft Audit of the Funds Appropriated for
Bicycle Projects**

Thank you for the opportunity to review the final draft report on the Audit of the Funds Appropriated for Bicycle Projects ("bike audit"). We appreciate the hard work you and your staff put into the bike audit.

We also appreciate your recognition that the Caldwell administration placed a priority on making Honolulu a bicycle friendly city and many improvements in the bike program have occurred since January 2013. We recognize, however, the need for continued improvements in the City's bike program and to that end; we provide the following responses on the recommendations made in the bike audit report.

General Responses:

1. Since January 2013, the Department of Transportation Services (DTS), in addition to being an advocate for bike projects amongst city departments, has assisted other city departments in their bike project designs arrived at through a context sensitive solution consistent with the Complete Streets Ordinance.

2. Kapolei Parkway between Kama'aha and Kamokila Boulevard, while shown as existing in the 2012 Oahu Bike Plan, was completed by DTS in October 2014 and contains bike lanes in both directions on the separated parkway of approximately .4 miles in length.

3. Beginning in January 2013, Councilmember Menor approached DTS regarding resolution of an on-going dispute between the City and the West Loch Fairways Association (WLFA) which resulted in WLFA closing a bike path on WLFA

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property. DTS, partnering with the department of Facility Maintenance (DFM), Enterprise Services (DES) and Parks and Recreation (DPR), has entered into a tentative agreement with WLFA to take the bike path on WLFA property by way of easement, ensuring connectivity for bicyclists to the larger network of bike paths. The memorialized agreement is currently in final review by Corporation Counsel before formal presentation to WLFA for final review and execution.

4. Regarding city bikeway funds (140), when funds are not used and therefore lapse, the funds return to the bikeway fund and are available for future bikeway projects (although not necessarily the same bike project which may have been completed using less funds than originally appropriated).

5. Regarding federal funds administered through the state Department of Transportation (HDOT), DTS is in possession of the existing grant agreement executed in 1973 with HDOT regarding the use of federal highway administration (FHWA) funds. In fact, DTS and HDOT are currently executing an updated grant agreement, the terms of which were processed by DTS through Council for approval prior to execution. By letter dated February 25, 2015, HDOT directed use of the draft 2014 Memorandum of Agreement in the interim of its full execution. See Exhibit "A" hereto.

6. Regarding "inactive" federally funded projects which potentially subject funds to "de-obligation," DTS has been working with the FHWA regarding new processes to insure federal funds are expended in a timely manner. As noted in the audit, FHWA initiated a new 180-day rule on July 1, 2014, a rule which applies to both HDOT and the city for construction projects after July 1, 2014. This rule requires FHWA-funded projects to advance from authorization to Notice to Proceed (NTP) within 180 days or funds will be subject to de-obligation. Via letter dated February 3, 2015, the FHWA notified HDOT and the city that the FHWA will consider extensions of the 180-day deadline on a "limited, case-by-case basis." See Exhibit "B" hereto. Via letter dated March 31, 2015, the FHWA notified HDOT and the city that of the sixteen construction projects subject to the 180-day rule, nine projects met the 180-day rule and seven projects did not but were granted extensions. Of note, the only City and County of Honolulu project on the list was the Joint Traffic Management Center, a DTS project which but for a protest, would have achieved NTP within 180-days. As such, the JTMC project received an extension from the FHWA. Since the extension was granted, however, the protest has been resolved and the contract is being prepared for execution by the parties. Of significance, there are no DTS bike projects on the list. See Exhibit "C" hereto. DTS is committed to better management of federal funds and has been working collaboratively and proactively with HDOT and FHWA since 2013.

7. In late 2013, DTS initiated an internal tracking process for federally funded projects. DTS project managers now use a DTS-created form which requires weekly reporting of key dates, allowing management to track authorization, procurement,

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contracting, NTP, reimbursement requests and progress of the federally funded contracts through closure. DTS project manager's report to the DTS Deputy Director who oversees compliance with grant requirements. See Exhibit "D" hereto.

8. For the \$353,800 identified as lapsing after January 2013, these funds were lapsed as a result of an administration decision not to proceed with design on a CIP project that would not be programmed in the near-term for budgetary and policy reasons. DTS is currently working with the state to de-obligate the unexpended federal funds and reprogram them into an existing federally funded DTS project that is over-matched. This issue highlights the fact that funds may lapse for different reasons, including but not limited to cancellation of a project due to budget priorities and contract costs being less than pre-contract estimates.

9. Exhibit 2.2. For the bike projects that were cancelled before contracts were executed, bike costs should be "none" versus "unknown." See Rows 13, 19 and 20. For Row 3, Thomas Square, DTS has documentation evidencing costs incurred were \$108,252,90. See Exhibit "E" hereto.

10. As of March 23, 2015, the departments of Design and Construction (DDC), Planning and Permitting (DPP) and Facility Maintenance (DFM) have been directed to provide bike project data, including cost data, to DTS on an annual basis. In addition, all departments will now obtain discrete costing of bike project components of larger projects, such as repaving projects and/or new construction. See Exhibit "F" hereto.

Specific Responses (in the same order as Recommendations, pages 42 - 44):

1. *Establish formal written policies, procedures, terminology, and definitions for the bike program that will facilitate bike plan communications, bike project coordination, program administration, and successful implementation of the 2012 O'ahu Bike Plan.*

Agree. DTS will need to coordinate with DDC, DFM and DPP in the establishment of formal written bike policies and procedures. Target date: January 2016.

2. *The formal policies and procedures should provide DTS or an oversight body the authority to oversee, coordinate, monitor, and manage all bike projects among all city departments.*

Agree. The city will need to coordinate the oversight function with DTS, DDC, DFM and DPP. Target date: January 2016.

3. *The O'ahu Bike Plan includes State of Hawai'i streets. The city should negotiate memoranda of agreements with the State of Hawai'i Department of Transportation (HDOT) that ensure the bike plan and complete streets ordinance requirements are implemented.*

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Agree that HDOT and DTS should coordinate bike projects on Oahu so that maximum connectivity is achieved for bicyclists. The city will approach the State regarding the possibility of a Memoranda of Agreement regarding collaborative planning of bike projects. Target date: January 2016.

4. DTS should negotiate memoranda of agreements with other city departments that provide DTS or an oversight body the authority to implement bike projects identified in the O`ahu Bike Plan and bike projects related to the complete streets ordinance.

Agree that the oversight body designated by the city should negotiate memoranda of agreements with other city departments regarding bike projects. Target date: June 2016.

5. As appropriate, the city charter commission should consider amending the city charter to institutionalize the formal policies and procedures related to the bike projects.

This recommendation is addressed to the city charter commission and, as such, no agreement or disagreement, nor a target date, is required at this time.

6. Maintain complete, consistent, accurate and reliable bike project and funding data, and ensure bike project and funding data are consistent and readily available among project managers throughout the city that will help DTS and other city departments attain the city charter priority of making Honolulu a pedestrian and bicycle-friendly city.

Agree. All city departments need to maintain bike project data, including discrete funding and cost data and the oversight body should accumulate the bike project data and provide annual updates to the Oahu Bike Plan. Target date: January 2016.

7. Develop and ensure the database of bike projects includes project costs; project funds available, expended, and available; actual bike project costs; funding sources and amounts; fund expiration dates; fund lapse dates; fund requirements; project start and completion dates; and other data needed to efficiently and effectively manage all bike projects, funds, and progress in implementing the bike plan.

Agree. DTS tracks stand-alone bike project funds, but all city departments should track bike project funds, costs and project data, including but not limited to non-bike projects that include bikeway improvements as a component thereof for better management of bike projects. Target date: January 2016.

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8. *Use the database to increase accountability and measure the city's performance in attaining the O'ahu Bike Plan goals, objectives, and visions; and facilitate tracking, monitoring, administration, and evaluation of the city's progress in making Honolulu a bike-friendly city.*

Agree. Target date: January 2016.

9. *Use the database to ensure all city departments comply with the complete street ordinance requirements for bike and bikeway projects that will make Honolulu a bike-friendly city.*

The city Complete Streets Ordinance does not mandate the inclusion of bike projects in transportation facility projects, but rather requires the Directors of DTS, DFM, DDC and DPP to consider the inclusion of bike projects in transportation facility projects. As such, the use of a consistent bike project database across city departments, while beneficial, does not directly ensure compliance with the Complete Streets Ordinance. Rather, it is the Caldwell administration's strong policy supporting Honolulu becoming a bicycle pedestrian city and Complete Streets projects that ensures maximum progress towards Honolulu becoming a bicycle friendly city.

10. *Better manage bike-related funds received by the city by ensuring and providing complete; consistent, accurate, reliable, and readily available bike project and fund data to all project managers (including DTS, DDC, DFM, DPP project managers) involved with bike related projects.*

Agree. This recommendation is consistent with #7 preceding. As of March 23, 2015, DFM, DDC and DPP must report bike-related and bike project funds and costs data to DTS on a regular basis, but not less than annually.

11. *Ensure bike fund databases include copies of the federal grant agreements, grant terms and conditions, grant and fund expiration dates, lapse dates, grant reporting requirements, and data that are complete, consistent, accurate reliable, and readily available.*

Agree. DFM, DDC and DPP, absent a stand-alone grant application or bridge inspection funds for DDC, do not regularly process federal grant funds. DTS has the city's existing and draft grant agreement with HDOT which was processed through Council for execution. Since 2013, DTS has been working with HDOT and FHWA in tracking federal funds and DTS initiated an internal federal fund tracking process in 2013.

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12. *Ensure bike funds are used to attain city charter and bike plan goals, objectives, benchmarks, and priorities before the funds lapse or expire.*

Agree. The recommendation is a policy statement consistent with the Caldwell administration's current policy.

13. *Establish policies and procedures for a formal and routine reconciliation of city, state, and federal bike funds to identify and quantify available bike funds before they lapse.*

Agree. Tracking of federal funds through a formal review process began in DTS in late 2013. Both HDOT and FHWA have formal processes as well. The formal policies and procedures set forth in #1 will include policies and procedures regarding fund reconciliations as well. Target date: January 2016.

14. *Establish formal processes for ensuring the city complies with federal grant, reporting, accounting, and document requirements.*

Agree. Tracking of federal funds through a formal review process began in DTS in late 2013. Both HDOT and FHWA have formal processes as well. Processing of reimbursement requests also involves the department of Budget and Fiscal Services and the City will work with DTS and BFS to formalize federal grant reporting, accounting and document processing. Target date: January 2016.

Very truly yours,



Roy K. Amemiya, Jr.
Managing Director

Enclosures (6)

cc: Michael D. Formby, Director
Department of Transportation Services

Note: Exhibits referenced in this letter are not attached, but can be viewed online at: www.honolulu.gov/auditor.

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Appendix 1

O`ahu Bike Plan – Highlights

Vision Statement	<i>O'ahu is a bicycle-friendly community where bicycling is a safe, viable, and popular travel choice for residents and visitors of all ages.</i>
Goals and Objectives	<ol style="list-style-type: none"> 1. To increase the mode share of bicycle trips 2. To enhance cooperation between roadway users 3. To encourage and promote bicycling as a safe, convenient, and pleasurable means of travel. 4. To be recognized by the League of American Bicyclists as a Bicycle-Friendly Community.
Five E's Strategy	Encouragement, Engineering, Education, Enforcement, Evaluation The five "E's" represent a comprehensive approach used by transportation planners in bicycle planning by addressing the myriad of issues and components needed to provide a safe, convenient bicycling experience on the island's bikeways.
Support Facilities	Support facilities are those that complement the overall network of bicycle facilities (lanes, routes, paths), such as parking, showers, and changing facilities, and integration with public transit.
Bikeway Network	An extensive network of lanes, paths, and routes is key to making O'ahu a bicycle-friendly community. Connecting riders to popular destinations and everyday services will encourage more people to ride for both utilitarian trips as well as recreation. A key component of this network is ensuring that facilities connect to one another, providing a continuous route and multiple options to arrive at destinations. A wide variety of facilities that consists of paths, lanes, and routes, is the best manner in which to serve the diverse types of riders.
Implementation and Benchmarks	Implementation of the O'ahu Bike Plan depends on the funding and actions of a variety of responsible parties and stakeholders. They include DTS, DFM, DDC, City Council, State DOT, and private developers, among other entities. Clearly, funding for projects and programs is critical to the Plan's execution and the City's budget process plays a pivotal role. Benchmarks have been developed to measure the success of how Plan implementation is meeting goals and objectives. Benchmarks are used to indicate progress in reaching an ultimate vision, and specify a timeframe in which achievement should be attained.

Source: O`ahu Bike Plan

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Appendix 2

O`ahu Bike Plan - Priority 1 Projects

According to the O`ahu Bike Plan, Priority 1 projects are considered the most important facilities for the network and should be completed within the next 5-10 years. The table lists the Priority 1 projects that are planned bikeway projects in all jurisdictions (i.e. City, State, Federal, private) and include a brief bikeway description, facility type (path, lane, or route), ownership, length, estimated cost, and DP area in which it is located.

Table 5: Priority 1 Projects							
Code	Name	Description	Type	Owner	Length (miles)	Cost** (1000s)	DP Area
1-1	Central O’ahu Regional Park	Kamehameha Highway to Paiwa Street	P	C	0.95	\$734	CO
1-2*	Lanikūhana Avenue	South end of Meheula Parkway to Mililani Shopping Center	R	C	2.64	\$132	CO
1-3	Leeward Bikeway (Phase 1)	Waipi’o Point Access Road to Hawaiian Railroad Society Train Station	P	S	5.99	--	CO
1-4*	Waipi’o Point Access Road (Southern Section)	Pearl Harbor Bike Path to Waipi’o Soccer Park	P	C	0.72	UC	CO
1-6*	Wailua Street	Hawaii Kai Drive to Lunalilo Home Road	L	C	0.37	\$42	EH
1-7*	Kapolei Parkway	Fort Barrette Road to Keone’ula Boulevard	L	C	4.10	\$472	’Ewa
1-8	Kualaka’i Parkway	H-1 Freeway to Keone’ula Boulevard	L	S	4.37	--	’Ewa
1-9	Kamehameha Hwy. (Ko’olauloa)	’O’opuola St. to Waiāhole Valley Road	R	S	25.25	--	KL
1-10*	Hāmākua Drive	Keolu Drive to Kailua Road	L	C	0.79	\$486	KP
1-11*	Kailua - Lanikai Connector	South Kalaheo to Kawailoa Rd. to Mokulua Dr.	R	C	0.82	\$41	KP
1-12*	Kailua Road (Eastern Section)	Wana’ao Road to South Kalāheo Avenue	L	C	0.84	\$97	KP
1-13*	Kailua Road (Western Section)	Ku’ulei Road to Hahani Street	R	C	0.21	\$11	KP
1-14*	Kalāheo Avenue	Kāne’ohe Bay Drive to Kailua Road	R	C	2.12	UC	KP
1-15	Kalaniana’ole Highway (Kailua)	Kailua Road to Olomana Golf Course	R	S	2.51	--	KP
1-16	Kalaniana’ole Highway (Olomana Golf Course)	Olomana Golf Course to Flamingo Street	R	S	0.40	--	KP
1-17	Kalaniana’ole Hwy (Waimānalo)	Wailea to Makapu’u Lighthouse	R	S	3.52	--	KP
1-18*	Kamehameha Hwy (Kāne’ohe)	Kahuhipa Road to Kāne’ohe Bay Drive	L	C	1.09	\$673	KP
1-19	Kawainui Levee Path	Kawainui Neighborhood Park to Kailua Road	P	S	1.25	--	KP
1-20	Kawainui Marsh Path (Levee to Hāmākua Drive)	Levee Path to Makai Side of Kawainui Canal	P	S	0.26	--	KP
1-21*	Kea’ahala Road	Kahekili Highway to Lilipuna Road	R	C	1.28	\$64	KP
1-22*	Wana’ao Road	Kailua Road to Keolu Drive	R	C	0.85	\$43	KP
1-23	Goodale Avenue	Farrington Highway to Waialua Beach Road	R	C	0.82	\$487	NS
1-24	Hale’iwa Road	Waialua Beach Road to Kamehameha Hwy	R	C	1.60	\$946	NS
1-25	Kamehameha Highway (North Shore)	Kaukonahua Road to ’O’opuola Street	R	S	9.23	--	NS

Key	C	City	CO	Central O’ahu	NS	North Shore
L	S	State	EH	East Honolulu	PUC	Primary Urban Center
R	F	Federal	KL	Ko’olau Loa	Wai	Wai’anae
P	Pv	Private	KP	Ko’olau Poko	UC	under design or construction
XW		signalized crosswalk				

Notes: Project code “1-5” not used.

Alphabetical listing of projects provided in Appendix B.

* Projects in Short-Range Implementation Plan (see Table 10).

** Costs not provided for State, Private, or Federal projects, or for City projects under design, construction or privately funded (including those that will ultimately be dedicated to the City).

^a The Department of Transportation Services reported that as of March 20, 2015, work on these projects have been completed and the bikeway improvements are installed and available to the cycling community.

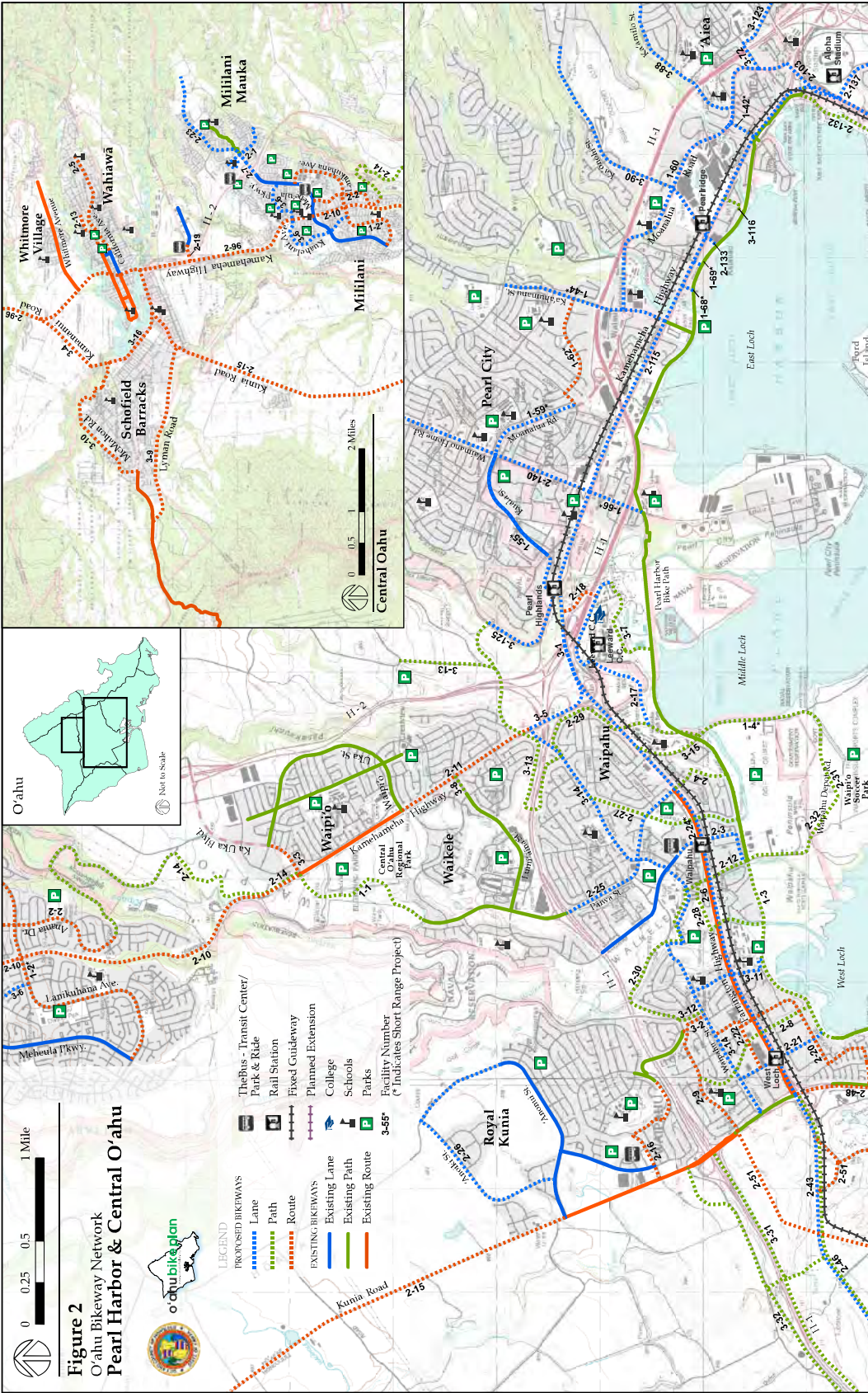
Table 5: Priority 1 Projects (continued)

Code	Name	Description	Type	Owner	Length (miles)	Cost** (1000s)	DP Area
1-26 ^{*a}	18th Avenue	Diamond Head Road to Kīlauea Avenue	L	C	0.33	UC	PUC
1-27	Ala Moana Beach Park (Extension)	Connect existing mauka and makai bike paths, extend path to Kewalo Basin	P	S	0.15	--	PUC
1-28*	Ala Moana Boulevard Path	Atkinson Drive to Ala Wai Canal	P	C	0.10	UC	PUC
1-29*	Ala Wai Boulevard	Keoniana Street to Kalākaua Avenue	R	C	0.29	\$15	PUC
1-30	Aloha Tower Path	Aloha Tower to Waterfront Park	P	S	0.99	--	PUC
1-31*	Alohea Avenue	10th Avenue to Makapu'u Avenue	R	C	0.34	\$17	PUC
1-32	Beretania St. (Middle Section)	McCully Street to Alapa'i Street	L	C	1.43	\$164	PUC
1-33*	Beretania St. (Southern Section)	University Avenue to McCully Street	L	C	0.78	\$89	PUC
1-34*	Civic Center Bike Path	Alapa'i Street to Richards Street	P	C	0.46	UC	PUC
1-35*	Cooke Street	Ilalo Street to South King Street	L	C	0.76	\$88	PUC
1-36*	Coyne Street	University Avenue to Isenberg Street	R	C	0.28	UC	PUC
1-37 ^{*a}	Diamond Head Road	Pākī Avenue to Fort Ruger Park	L	C	1.47	\$909	PUC
1-38	Dillingham Boulevard (Southern Section)	Pu'uhale Road to N. King Street	R	C	1.44	\$72	PUC
1-39*	'Ena Road	Kalākaua Avenue to Ala Moana Boulevard	R	C	0.21	\$10	PUC
1-40*	Fort Street Mall	Nimitz Highway to Beretania Street	R	C	0.38	\$15	PUC
1-41*	Harding Avenue	Kapahulu Avenue to 16th Avenue	R	C	1.31	\$65	PUC
1-42*	Honomanū Street	Moanalua Road to Kamehameha Highway	L	C	0.16	\$19	PUC
1-43*	Isenberg St (Northern Section)	Coyne Street to South King Street	R	C	0.17	\$8	PUC
1-44*	Ka'ahumanu Street	Kamehameha Highway to Komo Mai Drive	L	C	1.01	\$117	PUC
1-45*	Kāhala Avenue	Diamond Head Road to Keala'olu Avenue	R	C	1.51	\$75	PUC
1-46*	Kalākaua Avenue (Northern Section)	Beretania Street to Ala Moana Boulevard	R	C	0.98	\$49	PUC
1-47*	Kalākaua Avenue (Southern Section)	Saratoga Road to Kapahulu Avenue	L	C	0.95	UC	PUC
1-48	Kalākaua Ave. Signal/Crosswalk	Ala Wai Promenade	XW	C	0.00	\$200	PUC
1-49*	Kālia Road	Ala Moana Boulevard to Saratoga Road	R	C	0.49	\$25	PUC
1-50*	Kapahulu Avenue	Kalākaua Avenue to Old Wai'ālae Road	R	C	1.56	UC	PUC
1-51	Kapahulu Avenue Bike Path (Extension)	Extend existing Kapahulu Avenue Path to Ala Wai Bike Lane	P	S	0.11	--	PUC
1-52	Kapi'olani Boulevard	Waiaka Road to South King Street	L	C	0.21	\$130	PUC
1-53*	Kīlauea Avenue	Wai'ālae Avenue to Makapu'u Avenue	R	C	1.56	\$78	PUC
1-54*	King Street (Southern Section)	South Street to Kapi'olani Boulevard	L	C	2.84	\$326	PUC
1-55*	Kuala Street	Kamehameha Hwy to Waimano Home Road	L	C	1.02	\$117	PUC
1-56*	Kūhiō Avenue	Kalākaua Avenue to Kapahulu Avenue	R	C	1.17	\$59	PUC

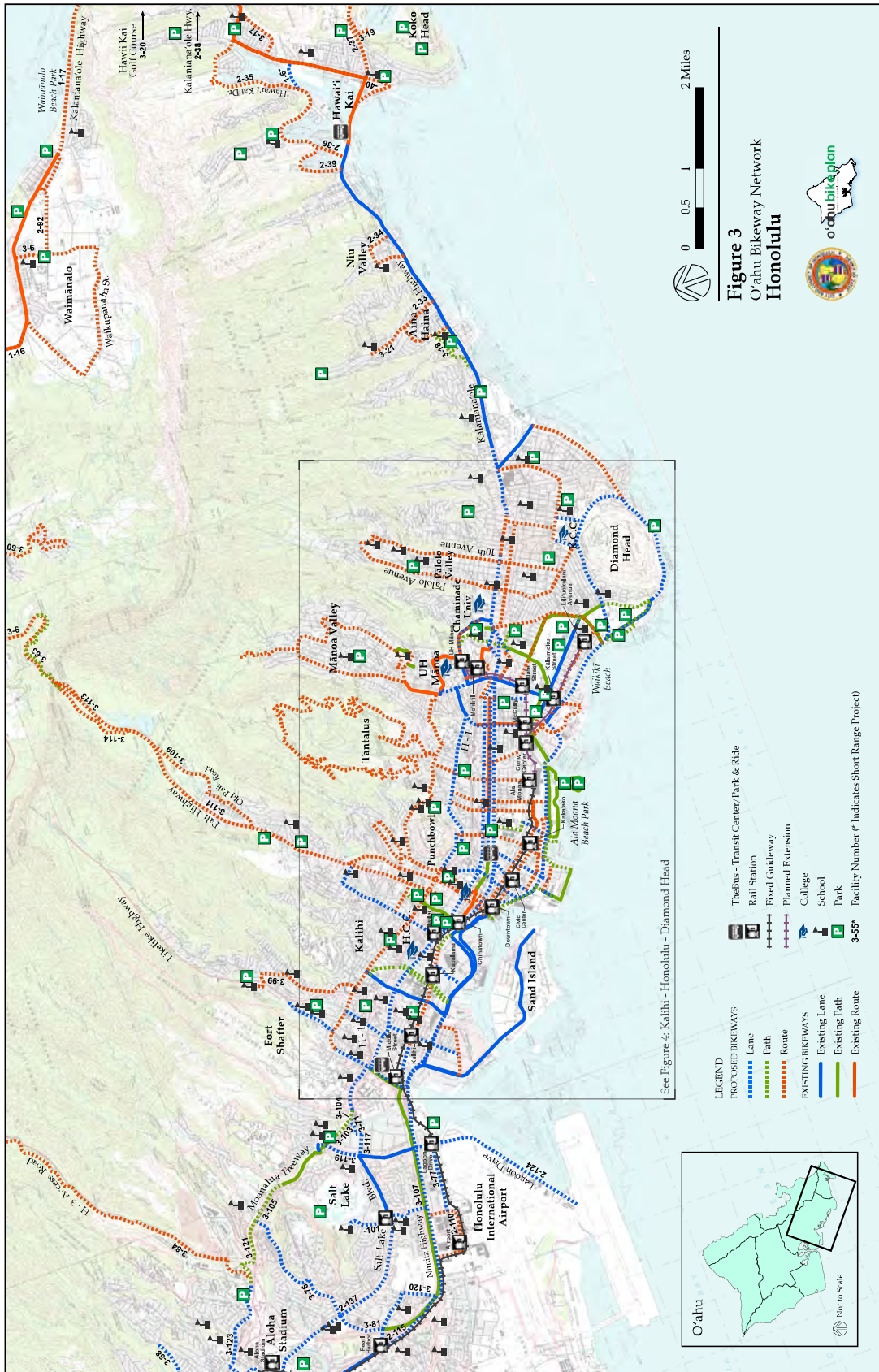


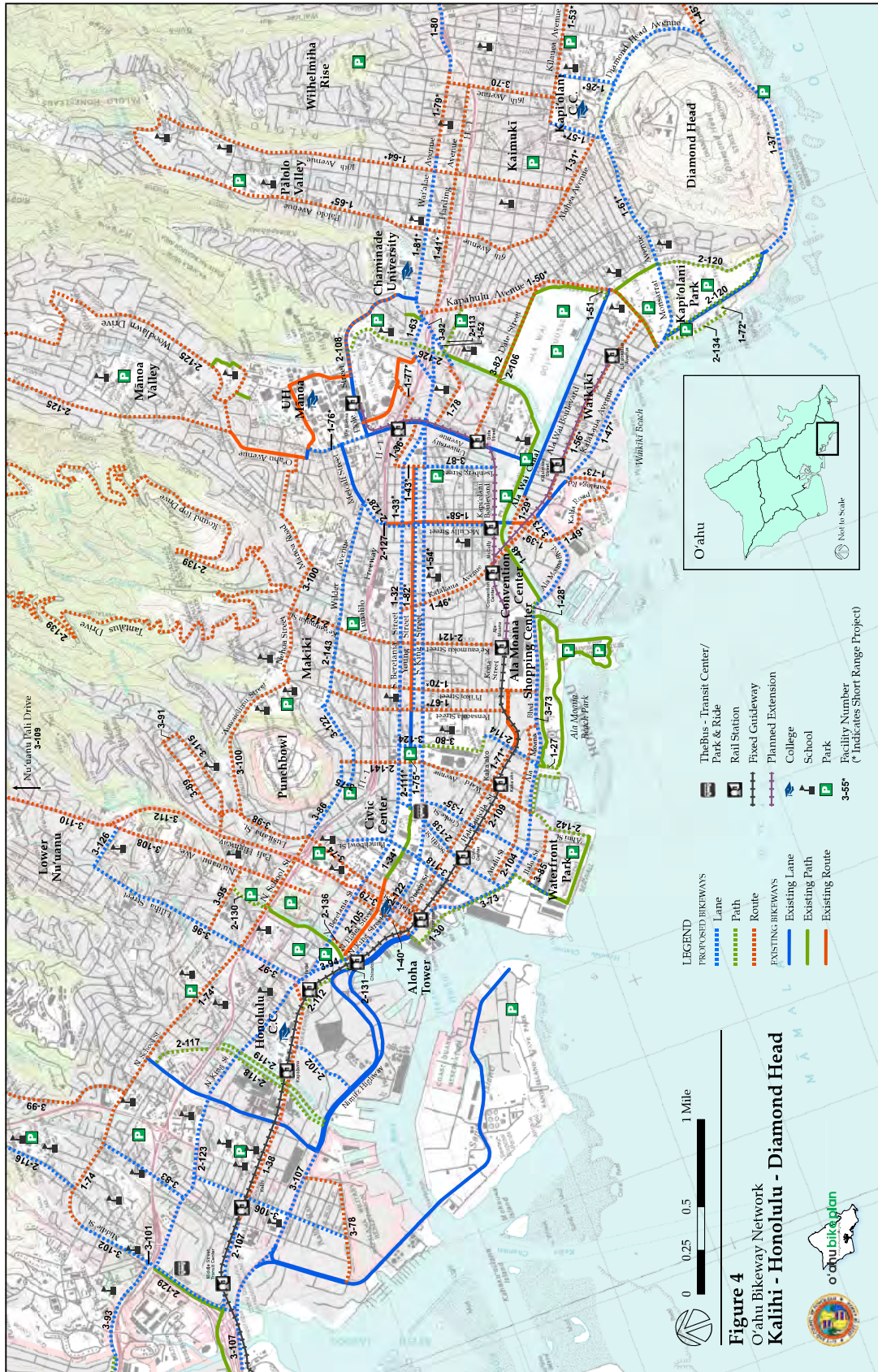
Table 5: Priority 1 Projects (continued)							
Code	Name	Description	Type	Owner	Length (miles)	Cost** (1000s)	DP Area
1-57* ^a	Makapu`u Avenue	Kīlauea Avenue to Diamond Head Road	L	C	0.27	UC	PUC
1-58*	McCully Street	Kapi`olani Boulevard to H-1 Freeway	L	C	0.61	\$70	PUC
1-59*	Moanalua Road (Pearl City)	Ho`omalua Street to Waimano Home Road	L	C	0.60	\$69	PUC
1-60	Moanalua Road (Aiea)	Ka`ahumanu Street to `Aiea Heights Drive	L	C	1.87	\$215	PUC
1-61* ^a	Monsarrat Avenue - Diamond Head Road	Kapahulu Avenue to Fort Ruger Park	L	C	2.36	\$1,460	PUC
1-62*	Noelani Street	Moanalua Road to Ka`ahumanu Street	R	C	0.72	\$36	PUC
1-63	Old Wai`alae Road	St. Louis Heights Drive to South King Street (over H-1)	L	S	0.42	--	PUC
1-64*	Pālolo Loop (10th Ave)	Alohea Ave and 10th Ave to Pālolo Place	R	C	2.62	\$131	PUC
1-65*	Pālolo Loop (Pālolo Ave)	Alohea Ave./10th Ave. Intersection to Pālolo Place	R	C	2.83	\$142	PUC
1-66*	Pearl Harbor Bike Path (PHBP) Connector-- Lehua Avenue	Kamehameha Highway to Pearl Harbor Bike Path	L	C	0.34	\$39	PUC
1-67*	Pensacola Street	Waimanu Street to Wilder Avenue	R	C	1.05	\$53	PUC
1-68*	PHBP Connector - Hekaha St.	Kamehameha Hwy to Pearl Harbor Bike Path	L	C	0.09	\$11	PUC
1-69*	PHBP Connector - Kanuku Street	Kamehameha Highway to Pearl Harbor Bike Path	L	C	0.05	\$6	PUC
1-70*	Pi`ikoi Street	Ala Moana Boulevard to Wilder Avenue	R	C	1.20	\$60	PUC
1-71*	Queen Street	Fort Street Mall Path to Pi`ikoi Street	R	C	1.63	\$82	PUC
1-72*	Queen's Beach Trail (South Section)	Beach Trail to Kalākaua Avenue (at Natatorium)	P	C	0.07	\$51	PUC
1-73*	Saratoga Road	Kālia Road to Kalākaua Avenue	R	C	0.27	\$14	PUC
1-74*	School Street	`Iolani Avenue to Middle Street	R	C	2.68	UC	PUC
1-75*	Thomas Square Park	Victoria Street to Ward Avenue	P	C	0.11	UC	PUC
1-76*	University Avenue	Dole Street to Maile Way	L	C	0.36	\$41	PUC
1-77*	Varsity Place	University Avenue to Lower Campus Road	R	C	0.27	UC	PUC
1-78	Waiaka Road-Kuilei Street	Wai`alae Avenue / King Street Connection	R	C	0.41	\$44	PUC
1-79*	Wai`alae Ave. (Eastern Section)	11th Avenue to 17th Avenue	R	C	0.49	\$25	PUC
1-80	Wai`alae Ave. (H-1 Viaduct)	18th Avenue to `Āinakoā Avenue	L	S	0.89	--	PUC
1-81*	Wai`alae Ave. (Western Section)	Kapahulu Avenue to 11th Avenue	L	C	0.91	\$566	PUC
1-82*	Young Street	Pensacola Street to Isenberg Street	L	C	1.40	\$865	PUC
1-83	Mā`ili to Wai`anae (Valley Route)	Plantation – Wai`anae Valley - Lualualei Homestead Rd – Mā`ili`ili – Pa`akea – Lualualei Naval Rd	R	C	9.34	\$467	Wai
1-84	Wai`anae Coast Path	Lualualei Naval Road to Kili Drive	P	S/C	8.16	--	Wai
Priority 1 Totals (rounded):					138 miles	\$11.3 million	

Source: O`ahu Bike Plan and Office of the City Auditor



o'ahu bike plan 5-24





O'ahu bike plan 5-26

Figure 4
O'ahu Bikeway Network
Kalihi - Honolulu - Diamond Head

Appendix 4

O`ahu Bike Plan – Short-Range Implementation Plan Projects

The Short-Range Implementation Plan consists of 65 projects-the bulk of which could be completed by the next update of the plan. *Short-term* projects are permanent standalone Priority 1 projects with no secondary or follow-up components.

Table 10: Short-Range Implementation Plan Projects

Code	Name	Description	Length (miles)	Ultimate Facility	Short-Range Treatment	Ultimate Cost (\$,000)	Interim Cost (\$,000)	DP Area
1-2	Lanikūhana Avenue	South end of Meheula to Mililani Shopping Ctr.	2.64	R	sharrows	\$132	A	CO
1-4	Waipi'o Point Access Road (Southern Section)	Pearl Harbor Bike Path to Waipi'o Soccer Park	0.72	P	path	UC	A	CO
1-6	Wailua Street	Hawai'i Kai Drive to Lunailo Home Road	0.37	L	lane	\$42	A	EH
1-7+	Kapolei Parkway	Fort Barrette Road to Keone'ula Boulevard	4.10	L	sharrows	B	\$205	'Ewa
1-10+	Hāmākua Drive	Keolu Drive to Kailua Road	0.79	L	sharrows	B	\$39	KP
1-11	Kailua - Lanikai Connector	South Kalāheo to Kawailoa Rd. to Mokolua Drive	0.82	R	sharrows	\$41	A	KP
1-12	Kailua Road (Eastern Section)	Wana'ao Road to South Kalāheo Avenue	0.84	L	general improvements to existing lanes/sharrows on makai-bound lanes	\$97	A	KP
1-13	Kailua Road (Western Section)	Ku'ulei Road to Hahani Street	0.21	R	sharrows	\$11	A	KP
1-14	Kalāheo Avenue	Kāne'ohe Bay Drive to Kailua Road	2.12	R	shoulder improvements	UC	A	KP
1-18+	Kamehameha Highway (Kaneohe)	Kahuhipa Road to Kāne'ohe Bay Drive	1.09	L	sharrows	B	\$54	KP
1-21	Kea'alahā Road	Kahekili Highway to Lilipuna Road	1.28	R	sharrows	\$64	A	KP
1-22	Wana'ao Road	Kailua Road to Keolu Drive	0.85	R	sharrows	\$43	A	KP
1-26	18th Avenue	Diamond Head Road to Kilauea Avenue	0.33	L	lane	UC	A	PUC
1-28	Ala Moana Boulevard Path	Atkinson Drive to Ala Wai Canal	0.10	P	minor sidewalk Improvements	UC	A	PUC
1-29	Ala Wai Boulevard	Keoniana Street to Kalākāua Avenue	0.29	R	sharrows	\$15	A	PUC
1-31	Alohea Avenue	10th Avenue to Makapu'u Avenue	0.34	R	sharrows	\$17	A	PUC
1-33	Beretania Street (Southern Section)	University Avenue to McCully Street	0.78	L	lane	\$89	A	PUC
1-34	Civic Center Bike Path	Alapa'i Street to Richards Street	0.46	P	path widening	UC	A	PUC
1-35+	Cooke Street	Ilalo Street to South King Street	0.76	L	sharrows	B	\$38	PUC
1-36	Coyne Street	University Avenue to Isenberg Street	0.28	R	sharrows	UC	A	PUC
1-37+	Diamond Head Road	Pāki Avenue to Fort Ruger Park	1.47	L	lane/sharrows	B	UC	PUC
1-39	'Ena Road	Kalākāua Avenue to Ala Moana Boulevard	0.21	R	sharrows	\$10	A	PUC
1-40	Fort Street Mall	Nimitz Highway to Beretania Street	0.38	R	signage	\$15	A	PUC
1-41	Harding Avenue	Kapahulu Avenue to 16th Avenue	1.31	R	sharrows	\$65	A	PUC
1-42+	Honomanu Street	Moanalua Road to Kamehameha Highway	0.16	L	sharrows	B	\$8	PUC
1-43	Isenberg Street (Northern Section)	Coyne Street to South King Street	0.17	R	sharrows	\$8	A	PUC
1-44+	Ka'ahumanu Street	Kamehameha Highway to Komo Mai Drive	1.01	L	sharrows	B	\$51	PUC
1-45	Kāhala Avenue	Diamond Head Road to Keala'olu Avenue	1.51	R	sharrows	\$75	A	PUC
1-46	Kalākāua Avenue (Northern Section)	Beretania Street to Ala Moana Boulevard	0.98	R	sharrows	\$49	A	PUC
1-47	Kalākāua Avenue (Southern Section)	Saratoga Road to Kapahulu Avenue	0.95	L	lane	UC	A	PUC
1-49	Kālia Road	Ala Moana Boulevard to Saratoga Road	0.49	R	sharrows	\$25	A	PUC
1-50	Kapahulu Avenue	Kalākāua Avenue to Old Wai'ālae Road	1.56	R	sharrows	UC	A	PUC
1-53	Kilauea Avenue	Wai'ālae Avenue to Makapu'u Avenue	1.56	R	sharrows	\$78	A	PUC
1-54	King Street (Southern Section)	South Street to Kapi'olani Boulevard	2.84	L	lane	\$326	A	PUC
1-55	Kuala Street	Kamehameha Highway to Waimano Home Road	1.02	L	lane	\$117	A	PUC
1-56	Kūhiō Avenue	Kalākāua Avenue to Kapahulu Avenue	1.17	R	sharrows	\$59	A	PUC

Key	CO Central O'ahu
L Lane	EH East Honolulu
R Route	KP Ko'olau Piko
P Path	NS North Shore
UC Under design/ construction	PUC Primary Urban Center

Notes: Costs not provided for City projects under design or construction (i.e., "UC" projects in table).
 "+" denotes interim treatments of longer term projects. All other short-range projects in table represent the permanent or "ultimate" projects.
 "A" indicates projects with no interim cost associated because the short-range treatment is the ultimate facility.
 "B" See Tables 5 and 6 for cost of ultimate projects.

Table 10: Short-Range Implementation Plan Projects (continued)

Code	Name	Description	Length (miles)	Ultimate Facility	Short-Range Treatment	Ultimate Cost (1,000)	Interim Cost (1,000)	DP Area
1-57	Makapu`u Avenue	K lauea Avenue to Diamond Head Road	0.27	L	uphill lane/downhill sharrow	UC	A	PUC
1-58+	McCully Street	Kapi`olani Boulevard to H-1 Freeway	0.61	L	sharrows	B	\$31	PUC
1-59+	Moanalua Road (Pearl City)	Ho`omalua Street to Waimano Home Road	0.60	L	sharrows	B	\$30	PUC
1-61+	Monsarrat Ave. – Diamond Head Road	Kapahulu Avenue to Fort Ruger Park	2.36	L	lane/sharrows	B	UC	PUC
1-62	Noelani Street	Moanalua Road to Kaahumanu Street	0.72	R	sharrows	\$36	A	PUC
1-64	Pālolo Loop (10 th Ave)	Alohea Ave and 10 th Ave to Pālolo Place	2.62	R	sharrows	\$131	A	PUC
1-65	Pālolo Loop (Pālolo Ave)	Alohea Ave / 10 th Ave Intersection to Pālolo Place	2.83	R	sharrows	\$142	A	PUC
1-66+	Pearl Harbor Bike Path Access PHBP Connector--Lehua Avenue	Kamehameha Highway to Pearl Harbor Bike Path	0.34	L	sharrows	B	\$17	PUC
1-67	Pensacola Street	Waimanu Street to Wilder Avenue	1.05	R	sharrows	\$53	A	PUC
1-68	PHBP Connector – Hekaha Street	Kamehameha Highway to Pearl Harbor Bike Path	0.09	L	lane	\$11	A	PUC
1-69	PHBP Connector – Kanuku Street	Kamehameha Highway to Pearl Harbor Bike Path	0.05	L	lane	\$6	A	PUC
1-70	Pi`ikoi Street	Ala Moana Boulevard to Wilder Avenue	1.20	R	sharrows	\$60	A	PUC
1-71	Queen Street	Fort Street Mall Path to Pi`ikoi Street	1.63	R	sharrows	\$82	A	PUC
1-72	Queen’s Beach Trail (South Section)	Beach Trail to Kalākaua Avenue (at Natatorium)	0.07	P	widen existing sidewalk	\$51	A	PUC
1-73	Saratoga Road	Kālia Road to Kalākaua Avenue	0.27	R	sharrows	\$14	A	PUC
1-74	School Street	‘Iolani Avenue to Middle Street	2.68	R	sharrows	UC	A	PUC
1-75	Thomas Square Park	Victoria Street to Ward Avenue	0.11	P	path	UC	A	PUC
1-76+	University Avenue	Dole Street to Maile Way	0.36	L	sharrows	B	UC	PUC
1-77	Varsity Place	University Avenue to Lower Campus Road	0.27	R	sharrows	UC	A	PUC
1-79	Wai`alae Avenue (Eastern Section)	11 th Avenue to 17 th Avenue	0.49	R	sharrows	\$25	A	PUC
1-81+	Wai`alae Avenue (Western Section)	Kapahulu Avenue to 11 th Avenue	0.91	L	sharrows	B	UC	PUC
1-82+	Young Street	Pensacola Street to Isenberg Street	1.40	L	sharrows	B	UC	PUC
2-75+	Hahani Street	Kailua Road to Hāmākua Road	0.19	L	sharrows	B	\$10	KP
2-24+	Mokuola Street	Nali`i Street to Farrington Highway	0.20	L	sharrows	B	\$10	CO
2-86+	Keolu Drive	Kalaniana`ole Highway to Wana`ao Road	1.46	L	sharrows	B	\$73	KP
2-78	Kahuhipa Street	Kamehameha Highway to Lōli`i Street	1.09	R	sharrows	\$55	A	KP
2-79+	Kailua Road – Ku`ulei Road	Hāmākua Drive to Kainalu Drive	0.47	L	sharrows	B	\$23	KP
2-111+	Hotel Street	Alapa`i Street to Ward Avenue	0.26	L	sharrows	B	\$13	PUC
2-128+	Metcalf Street	McCully Bridge to Wilder Avenue	0.18	L	sharrows	B	\$9	PUC
Total Length (rounded): 62 miles					Subtotal Costs (rounded):		\$2,044	\$611
SHORT-RANGE IMPLEMENTATION PLAN GRAND TOTAL COSTS (ROUNDED): \$2.7 MILLION								

Appendix 5

O`ahu Bike Plan - Benchmarks

Benchmark (2-Year)	DTS Met	Met by 3rd Party	Partially Met
Goal #1: To increase the mode share of bicycle trips.			
<i>Objective #1: Increase the number of people who ride bicycles.</i>			
Continue to hold and promote, in collaboration with bicycling partners (DOT, HBL, and cycling groups), the annual Bike to Work Week and Bike to School events	1		
Establish a one day street closure for bicycle/pedestrian festival			
Develop a plan to create baseline inventory of bike traffic counts at selected screen-lines along corridors, with participation from bicycling partners; publish resulting data. Organize and implement an annual bike count day.		1	
Increase mode split from 2010 US Census Bureau American Community Survey (1.63% for Honolulu) by 25%.	1		
Bicycle license registrations have increased to 25,000/yr (from historical 5-yr average of 23,000/year)	1		
<i>Objective #2: Increase the number of bicycle trips.</i>			
Establish baseline inventory of bicycle trip counts		1	
<i>Objective #3: Provide and maintain a continuous bicycle network</i>			
Identify sufficient sources of funds to design and construct desired bicycling facilities. Create an implementation process for how high-priority projects will be built with guidance from major stakeholders.			1
<i>Objective #4: Provide and maintain bicycle support facilities (e.g., showers and bicycle racks)</i>			
Coordinate with DPP to introduce an amendment to the Land Use Ordinance/Building Code that follows LEED-NC Bicycle Support Facilities credit requirements.			1
Support establishment of attended parking/showers/lockers facility in Downtown Honolulu through tax incentives or other economic incentives.			
Implement O`ahu Bike Plan standards for City Parks bicycle parking.			
Initiate an outreach program to educate employers on the benefits of commuter cycling and participation in LAB's BFB program. Host an annual recognition program for employers that have adopted bike friendly personnel policies.			
City hosts two events using bike valets	1		

Benchmark (2-Year)	DTS Met	Met by 3rd Party	Partially Met
Goal #2: To enhance cooperation between roadway users.			
<i>Objective #5: Increase the awareness of bicyclists, motorists, and pedestrians of their rights and responsibilities.</i>			
Expand the BikeEd grant to increase the number of 4th graders who receive bicycle education through BikeEd to 80%. Initiate an Adult BikeEd program to encourage bicycle use.		1	
Engage bicycling partners in planning annual island-wide events promoting cycling activities	1		
Expand bicycle education to include classes for adults. Work with city parks dept. to include safe cycling education in its list of offered programs/classes.		1	
<i>Objective #6: Enforce the traffic code.</i>			
Broadcast one new PSA reminding motorists and bicyclists of their rights and responsibilities on the road, emphasizing safety for all roadway users, and that bicyclists may use full lane. Increase traffic code enforcement-including bicycle-related infractions.	1		
Goal #3: To encourage and promote bicycling as a safe, convenient, and pleasurable means of travel			
<i>Objective #7: Provide a variety of bikeways.</i>			
Identify sufficient sources of funds to design and construct desired bicycling facilities.	1		
<i>Objective #8: Reduce the number of traffic crashes involving bicycles.</i>			
Implement a program where state and city agencies set bicycle safety metrics and publish an annual report. Establish a baseline of crash data.		1	
<i>Objective #9: Reduce the number of bicycle thefts.</i>			
Continue to install bicycle parking in safe, secure areas visible to passerby. Install bike lockers at various high volume destinations. Coordinate with HPD to obtain data on number of bicycle thefts.			1
<i>Objective #10: Increase the number of visitors who ride bicycles.</i>			
Obtain baseline information on number of bicycle rentals.			
Distribute visitor-friendly maps of O`ahu's bicycle network and popular destinations to hotels to be made available to each guest.			
HVCB, HTA, hotels, bike shops promote bicycle tours, club rides, and rentals.	1		

Benchmark (2-Year)	DTS Met	Met by 3rd Party	Partially Met
<i>Objective #11: Ensure integration of bicycles with transit.</i>			
Identify and install lockers or other long-term bicycle parking at two major transit centers according to O`ahu Bike Plan standards.			
Establish a wayfinding signage program.			
Coordinate with Google to sync O`ahu bicycle maps other modes of Google trip planning.			1
<i>Objective #12: Maintain existing bikeways in safe, rideable condition.</i>			
Establish procedure/mechanism to enter and store bikeway condition/maintenance information in geospatial data format. Trouble call and complaint logs established and maintained.		1	
Debris and potholes on bikeways are cleared/patched within one week of being reported, resulting in significant reduction in backlog.			1
Bicycle-unfriendly grates in bikeways are replaced with bicycle-friendly grates.			
Goal #4: To be recognized by LAB as a Bicycle-Friendly Community.			
<i>Objective #13: Implement the O`ahu Bicycle Master Plan.</i>			
Broadcast one new PSA illustrating the health benefits and convenience of bicycle riding.	1		
Prepare and distribute bicycle maintenance improvement request form online, to bike shops, satellite city halls, etc. Use Facility Inventory Database to streamline maintenance requests and establish a baseline.			
Seek Mayor's Advisory Committee on Bicycling advice on the O`ahu Bike Plan implementation and annual goal-setting.	1		
In association with bike partners, host a county-wide forum to discuss bike planning tools and techniques.	1		
Achieve LAB Bronze status.	1		
Maintain and enhance the O`ahu Bike Plan website as a central repository for bicycle plan information as well as other bicycling information.	1		
<i>Objective #14: Provide funding to achieve the goals of the Plan.</i>			
Secure funding for Short-Range implementation Plan projects.	1		
Total	14	6	5

Source: O`ahu Bike Plan, Department of Transportation Services

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Appendix 6

List of 32 Projects Sampled

No.	Project ^{1, 2}	Dept. (DTS, DDC, DFM)	Contract No.	Contractor(s)	Fund No	Initial Contract amount	Bike Costs	No. of Projects	Formal Policies & Procedures Exist	Project Start Date	Project Complete Date	Project Closeout Date
1	Keolu Drive (Rehabilitation of Streets, Unit 52)	DDC	CT-DDC-0900426	Grace Pacific Corp.	620	\$6,980,013	Unknown	1	No	8/31/2009	3/16/2010	7/8/2014
2	Asing Park-Misc. Bike Path Improvements	DTS	F06216	Site Engineering (Kaikoi)	-	\$189,500	Unknown	0	No	None	Cancelled	N/A
3	Thomas Square Park and Civic Center Bike Path Center (design) ²	DTS	SC-DTS-1100094	Austin, Tsutsumi & Assoc.	620	\$150,000	\$108,253	1	No	8/1/2011	Ongoing	N/A
4	Date Street Bike Path Rehabilitation (construction)	DTS	CT-DTS-1100472	Integrated Construction	620	\$339,850	\$347,392	1	No	5/21/2012	12/31/2013	3/7/2015
5	Date Street Bike Path Rehabilitation (design)	DTS	SC-DTS-1000160	AECOM Pacific	620	\$65,000	\$64,990	1	No	8/9/2010	2/18/2014	5/13/2014
6	Diamond Head/Monsarrat Avenue/Makapu'u Avenue/18 th Avenue Bikeway Improvements (construction) ²	DTS	CT-DTS-1400188	Royal Contracting	140, 630	\$241,013	\$97,062	1	No	10/10/2014	Ongoing	N/A
7	Diamond Head/Monsarrat Avenue/Makapu'u Avenue/18 th Avenue Bikeway Improvements (design) ²	DTS	SC-DTS-1200121	Fukunaga & Associates	140, 620	\$148,000	\$174,962	1	No	10/1/2012	Ongoing	N/A
8	Kalāheo Avenue Shoulder Improvements (design) ²	DTS	SC-DTS-1000154	Fukunaga & Associates	620	\$229,480	\$213,268	1	No	8/9/2010	12/20/2013	2/4/2015
9	Kalāheo Avenue Shoulder Improvements (inspection) ²	DTS	SC-DTS-1200124	Manthos Engineering	140, 630	\$105,000	\$101,653	1	No	7/1/2012	6/4/2014	7/31/2014
10	Kalāheo Avenue Shoulder Improvements (construction) ²	DTS	CT-DTS-1200186	Ideal Construction	140, 620	\$398,365	\$418,105	1	No	9/4/2012	11/9/2012	4/23/2014

No.	Project ^{1,2}	Project Actual Cost (As of 3/12/15)	Bike Related Cost	Project Data Consistent	Project Data Reliable	Project Data Readily Available	Funding Data Complete	Funding Data Readily Available	Project/ Fund Data Accurate
1	Keolu Drive (Rehabilitation of Streets, Unit 52)	\$6,588,689	Unknown	No	No	No	No	No	Unknown
2	Asing Park-Misc. Bike Path Improvements	Unknown	Unknown	No	No	No	No	No	Unknown
3	Thomas Square Park and Civic Center Bike Path Center (design) ²	\$108,253	\$108,253	No	No	No	No	No	Unknown
4	Date Street Bike Path Rehabilitation (construction)	\$347,392	\$347,392	No	No	No	No	No	Unknown
5	Date Street Bike Path Rehabilitation (design)	\$64,990	\$64,990	No	No	No	No	No	Unknown
6	Diamond Head/Monsarrat Avenue/Makapu'u Avenue/18 th Avenue Bikeway Improvements (construction) ²	\$97,062	\$97,062	No	No	No	No	No	Unknown
7	Diamond Head/Monsarrat Avenue/Makapu'u Avenue/18 th Avenue Bikeway Improvements (design) ²	\$174,962	\$174,962	No	No	No	No	No	Unknown
8	Kalaheo Avenue Shoulder Improvements (design) ²	\$213,268	\$213,268	No	No	No	No	No	Unknown
9	Kalaheo Avenue Shoulder Improvements (inspection) ²	\$101,653	\$101,653	Yes	No	No	no	No	Unknown
10	Kalaheo Avenue Shoulder Improvements (construction) ²	\$418,105	\$418,105	No	No	No	No	No	Unknown

No.	Project ^{1,2}	Dept. (DTS, DDC, DFM)	Contract No.	Contractor(s)	Fund No	Initial Contract amount	Bike Costs	No. of Projects	Formal Policies & Procedures Exist	Project Start Date	Project Complete Date	Project Closeout Date
11	Kalaka'ua Avenue Bike Lanes/Lei of Parks Route One (design) ²	DTS	SC-DTS-1000153	Wilson Okamoto	620	\$159,600	\$151,582	1	No	8/9/2010	Ongoing	N/A
12	Kalaka'ua Avenue Bike Lanes/Lei of Parks Route One (construction) ²	DTS	CT-DTS-1200408	Rons Construction	140, 630	\$304,670	\$310,970	1	No	10/9/2012	11/15/2012	5/22/2013
13	Kapahulu Avenue	DTS	None	-	-	-	None	0	No	None	Cancelled	N/A
14	Ke Ala Pūpūkea-Misc. Bike Path Improvements	DTS	F06226 (F-98471)	tm DESIGNERS (Kaikor)	-	\$141,450	Unknown	0	No	None	Cancelled	N/A
15	Kealaolu Avenue Shoulder Improvements (design)	DTS	SC-DTS-1000177	Belt Collins	620	\$111,000	\$104,028	1	No	1/12/2011	Ongoing	N/A
16	Kewalo Basin-Misc. Bike Path Improvements	DTS	F06236 (F-98471)	Haron Construction (Kaikor)	-	\$60,000	Unknown	0	No		Cancelled	N/A
17	Meheula Parkway Improvements (construction)	DTS	CT-DTS-1000520	GP Roadway	620	\$61,090	\$61,240	1	No	11/8/2010	1/6/2011	8/5/2011
18	Meheula Parkway Improvements (design)	DTS	SC-DTS-0900182	Park Engineering	620	\$62,500	\$62,500	1	No	8/18/2009	Unknown	N/A
19	Metcaif Street Improvements	DTS	None	-	-	-	None	0	No	None	Cancelled	N/A
20	Misc. UH Improvements	DTS	None	-	-	-	None	0	No	None	Cancelled	N/A
	Pre-January 2013 Total					\$9,746,531						
21	Beretania Street (Rehabilitation of Streets, Unit 64) ²	DDC	CT-DDC-1300367	Road and Highway Builders, LLC	620	\$9,444,444	Unknown	1	No	6/30/2014	Ongoing	N/A
22	Civic Center Bike Path Improvements (inspection) ²	DTS	SC-DTS-1300028	Manthos Engineering	140, 630	\$242,000	\$256,111	1	No	6/17/2013	Ongoing	N/A
23	Civic Center Bike Path Improvements (construction) ²	DTS	CT-DTS-1300209	MEI Corporation	140, 630	\$361,000	\$212,393	1	No	9/9/2013	Ongoing	N/A

No.	Project ^{1,2}	Project: Actual Cost (As of 3/12/15)	Bike Related Cost	Project Data Consistent	Project Data Reliable	Project Data Readily Available	Funding Data Complete	Funding Data Readily Available	Project/ Fund Data Accurate
11	Kalakaua Avenue Bike Lanes/Lei of Parks Route One (design) ²	\$151,582	\$151,582	No	No	No	No	No	Unknown
12	Kalakaua Avenue Bike Lanes/Lei of Parks Route One (construction) ²	\$310,970	\$310,970	No	No	No	No	No	Unknown
13	Kapahulu Avenue	-	N/A	No	No	No	No	No	Unknown
14	Ke Ala Pupukea-Misc. Bike Path Improvements	Unknown	Unknown	No	No	No	No	No	Unknown
15	Kealaolu Avenue Shoulder Improvements (design)	\$104,028	N/A	No	No	No	No	No	Unknown
16	Kewalo Basin-Misc. Bike Path Improvements	Unknown	N/A	No	No	No	No	No	Unknown
17	Meheula Parkway Improvements (construction)	\$61,240	N/A	Yes	Yes	No	No	No	Unknown
18	Meheula Parkway Improvements (design)	\$62,500	N/A	No	No	No	No	No	Unknown
19	Metcalf Street Improvements	-	N/A	No	No	No	No	No	Unknown
20	Misc. UH Improvements	-	N/A	No	No	No	No	No	Unknown
	Pre-January 2013 Total								
21	Beretania Street (Rehabilitation of Streets, Unit 64) ²	Unknown	Unknown	No	No	No	No	No	Unknown
22	Civic Center Bike Path Improvements (inspection) ²	\$256,111	N/A	No	No	No	No	No	Unknown
23	Civic Center Bike Path Improvements (construction) ²	\$212,393	N/A		No	No	No	No	Unknown

No.	Project ^{1,2}	Dept. (DTS, DDC, DFM)	Contract No.	Contractor(s)	Fund No	Initial Contract amount	Bike Costs	No. of Projects	Formal Policies & Procedures Exist	Project Start Date	Project Complete Date	Project Closeout Date
24	Diamond Head/Monsarrat Avenue/Makapu'u Avenue/18 th Avenue Bikeway Improvements (inspection) ²	DTS	SC-DTS-1500001	Manthos Engineering	140, 630	\$125,600	\$58,726	1	No	9/8/2014	Ongoing	N/A
25	Hamakua Drive Bikeway Improvements (design)	DTS	SC-DTS-1400101	AECOM Technical Services	140, 630	\$100,000	\$32,750	1	No	8/1/2014	Ongoing	N/A
26	Kealaolu Avenue Shoulder Improvements (construction)	DTS	CT-DTS-1300212	Mega Construction	140, 630	\$803,236	\$748,226	1	No	8/1/2013	6/9/2014	12/12/2014
27	Kealaolu Avenue Shoulder Improvements (inspection)	DTS	SC-DTS-1300096	Manthos Engineering	140, 630	\$271,000	\$219,943	1	No	7/8/2013	Ongoing	N/A
28	Coyne Street, Varsity Place, Young Street (Rehabilitation of Localized Streets, Phase 6A) ²	DDC	CT-DDC-1100399	Grace Pacific Corp.	620	\$11,410,348	Unknown	3	No	3/5/2012	TBD	N/A
29	Wailua Street (Rehabilitation of Streets, Unit 25)	DDC	CT-DDC-1200321	Grace Pacific Corp.	620	\$9,569,425	Unknown	1	No	3/4/2013	5/1/2014	N/A
30	Waiatae Ave. (Rehabilitation of Streets, Unit 57) ²	DDC	CT-DDC-1100400	Jas. W. Glover, Ltd.	620	\$9,361,775	Unknown	1	No	7/2/2012	Ongoing	N/A
31	Waipio Point Access Road Improvements (Southern Section) ²	DTS	CT-DTS-1000174	Haron Construction, Inc.	630	\$2,969,740	Unknown	1	No	10/4/2010	4/9/2012	11/14/2014
32	King Street Cycle Track (Southern Section) ²	DTS/DFM	n/a	n/a	DTS could not provide	n/a	Unknown	1	No	Unknown	12/6/2014	N/A
	Post-January 2013 Total					\$44,658,568						
	Grand Total					\$54,405,099						

No.	Project ^{1, 2}	Project: Actual Cost (As of 3/12/15)	Bike Related Cost	Project Data Consistent	Project Data Reliable	Project Data Readily Available	Funding Data Complete	Funding Data Readily Available	Project/ Fund Data Accurate
24	Diamond Head/Monsarrat Avenue/Makapu'u Avenue/18 th Avenue Bikeway Improvements (inspection) ²	\$58,726	N/A	No	No	No	No	No	Unknown
25	Hamakua Drive Bikeway Improvements (design)	\$32,750	N/A	No	No	No	No	No	Unknown
26	Kealaolu Avenue Shoulder Improvements (construction)	\$748,226	N/A	No	No	No	No	No	Unknown
27	Kealaolu Avenue Shoulder Improvements (inspection)	\$219,943	N/A	No	No	No	No	No	Unknown
28	Coyne Street, Varsity Place, Young Street (Rehabilitation of Localized Streets, Phase 6A) ²	\$11,418,151	Unknown	No	No	No	No	No	Unknown
29	Wailua Street (Rehabilitation of Streets, Unit 25)	\$9,071,451	Unknown	No	No	No	No	No	Unknown
30	Waialae Ave. (Rehabilitation of Streets, Unit 57) ²	\$10,595,945	Unknown	No	No	No	No	No	Unknown
31	Waipio Point Access Road Improvements (Southern Section) ²	\$3,003,402	Unknown	Yes	Yes	No	Yes	No	Unknown
32	King Street Cycle Track (Southern Section) ²	Unknown	Unknown	Unknown	Unknown	No	No	No	Unknown
	Post-January 2013 Total								
	Grand Total								

¹ The city departments (DTS, DDC, DFM, and DPP) lacked a common definition for bike projects, bike contracts, and bike facilities. We therefore defined any project or contract that involved bikeways, bike related facilities, or bike supporting infrastructure as one bike project.

² Project was included in the 2012 O'ahu Bike Plan Short Range Implementation Plan. (-) Denotes project is in-progress and not complete

³ Department of Transportation Services (DTS), Department of Design and Construction (DDC), Department of Facilities Management (DFM), Department of Planning and Permitting (DPP).

⁴ The total contract amount is the initial contract amount and includes bike and non-bike project costs. Contract amendments, if any, increased the total contract amount.

N/A = Not Available

Source: Department of Transportation Services and Department of Design and Construction files

Appendix 7

O`ahu Bike Plan – Bike Funds Appropriations and Lapsed Funds

<i>Fiscal Year</i>	<i>Amounts appropriated</i>	<i>Amount expended/encumbered</i>	<i>Amount Lapsed</i>	<i>Funds Lapsed (%)</i>
2013-2014	\$1,054,000	\$700,120	\$353,880	33.57%
Post January 2013 Total	\$1,054,000	\$700,120	\$353,880	33.57%
2012-2013	\$1,343,600	\$1,035,567	\$308,033	22.93%
2011-2012	\$1,080,800	\$1,065,638	\$15,163	1.40%
2010-2011	\$2,256,000	\$993,735	\$1,262,265	55.95%
2009-2010	\$1,150,000	\$538,135	\$611,865	53.21%
2008-2009	\$1,001,000	\$886,312	\$114,688	11.46%
2007-2008	\$1,000,000	\$461,725	\$538,275	53.83%
2006-2007	DTS reports there was no CIP funding for Bicycle Projects in FY 07			
2005-2006	\$447,000	\$10,000	\$437,000	97.76%
Pre-January 2013 Total	\$8,278,400	\$4,991,112	\$3,287,288	39.71%
Total	\$9,332,400	\$5,691,232	\$3,641,168	39.02%

Source: Department of Transportation Services and Office of the City Auditor

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Appendix 8

Federally Funded Bike Projects (10 Projects)

<i>Project</i>	<i>Contract No.</i>	<i>Contractor</i>	<i>Notice to Proceed (NTP) Date</i>	<i>Date Completed</i>	<i>Fund No.</i>	<i>Total Contract Amount¹</i>	<i>Bike Cost</i>
Waipio Point Access Road (Southern Section)	CT-DTS-1000174	Haron Construction, Inc.	10/4/2010	10/16/2012	630	\$2,969,740	Unknown
Kalaheo Avenue (inspection)	SC-DTS-1200124	Manthos Engineering	7/1/2012	6/04/2014	140, 630	\$105,000	\$101,653
Kalaheo Avenue (construction)	CT-DTS-1200186	Ideal Construction	9/4/2012	11/09/2012	140, 630	\$398,365	\$418,105
Pre-January 2013						\$3,473,105	
Civic Center (inspection)	SC-DTS-1300028	Manthos Engineering	6/17/2013	-	140, 630	\$193,600	\$256,111
Kealaolu Avenue (inspection)	SC-DTS-1300096	Manthos Engineering	7/8/2013	-	140, 630	\$271,000	\$219,943
Kealaolu Avenue (construction)	CT-DTS-1300212	Mega Construction	8/1/2013	5/28/2014	140, 630	\$803,236	\$748,226
Civic Center Bike Path (construction)	CT-DTS-1300209	MEI Corporation	9/9/2013	-	140, 630	\$361,000	\$212,393
Hamakua (design)	SC-DTS-1400101	AECOM Technical Services	8/1/2014	-	140, 630	\$100,000	\$32,750
Diamond Head (inspection)	SC-DTS-1500001	Manthos Engineering	9/8/2014	-	140, 630	\$125,600	\$58,276
Diamond Head (construction)	CT-DTS-1400188	Royal Contracting	DTS is waiting for Construction Manager input	-	140, 630	\$241,013	\$97,062
Post January 2013						\$2,095,449	
Total						\$5,568,554	

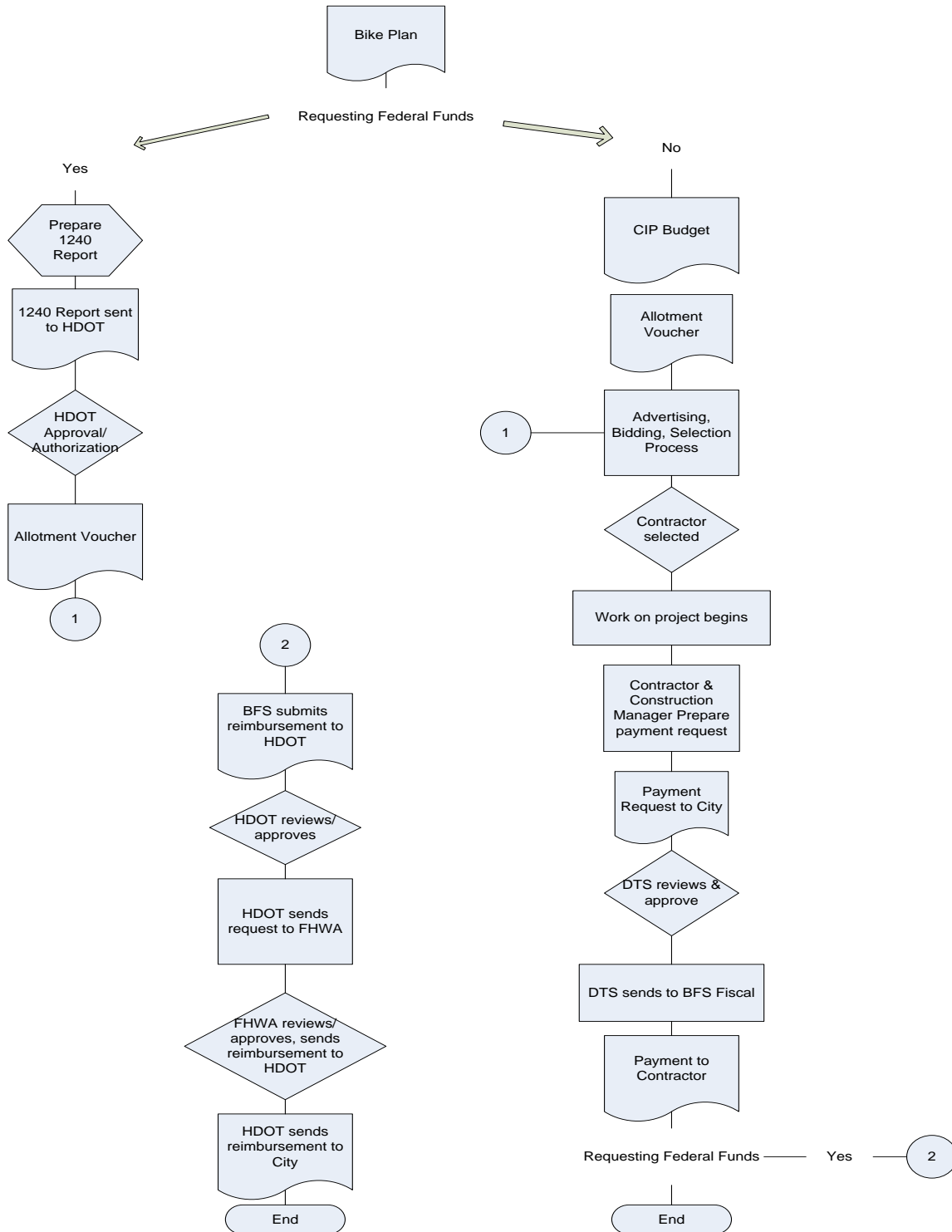
¹ The total contract amount is the initial contract amount and includes bike and non-bike project costs. Contract amendments, if any, increased the total contract amount.

Source: Department of Transportation Services

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Appendix 9

Flowchart of Federally Funded Bike Project



Source: Department of Transportation Services and Office of the City Auditor

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Appendix 10

City Council Resolution 10-297



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 10-297

RESOLUTION

REQUESTING AN AUDIT OF THE FUNDS APPROPRIATED FOR BICYCLE PROJECTS.

WHEREAS, bicycling has many benefits for the community, as well as for large and growing numbers of bicyclists on Oahu, including:

- Providing a convenient, effective, and alternative form of transportation that helps reduce traffic congestion and parking requirements;
- Supporting and enhancing physical health in an outdoor environment through exercise and recreation; and
- Representing an environmentally friendly activity that does not rely on the consumption of fossil fuels and produces no pollution. Every bicycle on the road represents one less automobile adding to pollution emissions;

and

WHEREAS, during the 2006 general election, Honolulu voters overwhelmingly approved a city charter amendment that makes it a priority for Honolulu to be a pedestrian- and bicycle-friendly city; and

WHEREAS, this priority is reflected in the General Plan of the City and County of Honolulu, which includes the following policy:

"Develop and maintain an integrated ground transportation system consisting of ... bikeways for recreational activities and trips to work, schools, shopping centers, and community facilities ...";

and

WHEREAS, in order to implement this city priority and policy, the city council appropriated \$1 million for bicycle projects (project number 1979063) in the Executive Capital Budget for Fiscal Year 2008 ("FY 2008"; Ordinance 07-25); and

WHEREAS, the report: "Line-Item Details on the Capital Budget for FY 2008" (2007 Dept. Com. No. 148) reveals the funds would be used for various projects including updating the Honolulu Bicycle Master Plan, as well as providing planning, design and construction funds for bicycle improvements on Metcalf Street, Meheula Parkway, Kapahulu Avenue and the University of Hawaii area; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 10-297

RESOLUTION

WHEREAS, according to the Office of Council Services' report: "Issue Profile— Status of the City's Finances, 2010," over half (53.6%) of the \$1 million appropriated for bicycle projects in FY 2008 lapsed; and

WHEREAS, in FY 2007, no bicycle projects were budgeted, and in FY 2006, over ninety percent of the \$447,000 appropriation for bicycle projects lapsed; and

WHEREAS, the city council finds that this funding history for bicycle projects hinders the city's priority and policy to make Honolulu a bicycle-friendly city and to develop an integrated transportation system that includes bikeways; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it requests the city auditor to conduct an audit of the funds appropriated for bicycle projects to determine why such funding lapses at such a high rate and receives such low priority; and

BE IT FURTHER RESOLVED that the council urges the city administration to recommit the city to help Honolulu become a bicycle-friendly city, and to ensure that all current and future funding for bicycle projects help further this goal; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 10-297

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the mayor, managing director, and the directors of transportation services and budget and fiscal services.

INTRODUCED BY
[Handwritten Signature]

DATE OF INTRODUCTION:

OCT 15 2010

Honolulu, Hawaii

Councilmembers

CITY COUNCIL
 CITY AND COUNTY OF HONOLULU
 HONOLULU, HAWAII
 CERTIFICATE

RESOLUTION 10-297

Introduced: 10/15/10 By: DONOVAN DELA CRUZ

Committee: EXECUTIVE MATTERS
 AND LEGAL AFFAIRS

Title: RESOLUTION REQUESTING AN AUDIT OF THE FUNDS APPROPRIATED FOR BICYCLE PROJECTS.

Links: [RES10-297](#)
[CR-362](#)

NOTE: EFFECTIVE NOVEMBER 2, 2010, COUNCILMEMBER DONOVAN DELA CRUZ, REPRESENTING COUNCIL DISTRICT II, RESIGNED FROM OFFICE. (Refer to Communication [CC-192](#))

ON NOVEMBER 8, 2010, THE APPOINTMENT OF REED MATSUURA WAS APPROVED (Refer to [RES10-313](#)) AND HE WAS SWORN INTO OFFICE AS A MEMBER OF THE HONOLULU CITY COUNCIL REPRESENTING DISTRICT II TO FILL THE REMAINING TERM OF FORMER COUNCILMEMBER DONOVAN DELA CRUZ.

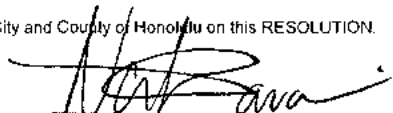
NOTE: EFFECTIVE NOVEMBER 8, 2010, COUNCILMEMBER TODD APO, REPRESENTING COUNCIL DISTRICT I, RESIGNED FROM OFFICE. (Refer to Communication [CC-193](#))

EXECUTIVE MATTERS AND LEGAL AFFAIRS	11/10/10	CR-362 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.							
COUNCIL	11/22/10	CR-362 AND RESOLUTION 10-297 WERE ADOPTED.							
ANDERSON	Y	CACHOLA	Y	DONOHUE	Y	GARCIA	Y	KOBAYASHI	Y
MATSUURA	Y	OKINO	Y	TAM	Y				

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



 BERNICE K. N. MAU, CITY CLERK



 NESTOR R. GARCIA, CHAIR AND PRESIDING OFFICER