

VandenBerghe, Alissa (Consultant)

From: Dye, Dave
Sent: Monday, December 08, 2008 4:57 PM
To: 'JCODL@aol.com'; Agnew, Bruce; Alaskan Way Viaduct; grace.crunican@seattle.gov; harold.taniguchi@metrokc.gov; Paananen, Ron; ron.posthuma@metrokc.gov; sextonr@wellsfargo.com; Washj@foster.com; bobd@keepclam.com; david@mlkclc.org; warren@ballardoil.com; pehrsonj@comcast.net; bayouwonder@comcast.net; bregards@speakeasy.net; maholnc@bumgardner.biz; jim@ohalloran.cc; jaltman8@comcast.net; mpmcumber@comcast.net; todd.vogel@nuladvisers.org; cary@peopleswaterfront.org; genensusan@comcast.net; vlad@voka.us; donnewby@msn.com; peter@RHPPublishing.com; Parsons, Jim; DJohnConey@aol.com; kfletcher@pugetsound.org; rob@transportationchoices.org; sranf@Mariners.org; Powers, Bob; reneer@discovery.org; chuck.ayers@cascadebicycleclub.org; local19pres@Qwest.net; carol@pikeplacemarket.org; erichardson@seedseattle.org; sjtaoka@yahoo.com; mike.obrien@cascade.sierraclub.org
Cc: Hammond, Paula; Grotefendt, Amy (Consultant)
Subject: RE: Letter to Project Team and Stakeholders from leading tunnel experts

John - I don't think they have been provided but I might be wrong (that happens a lot)...I've seen the drafts so I know they exist and we need to get them out if we haven't already...stand by while I chase this down.

-dave

From: JCODL@aol.com [mailto:JCODL@aol.com]
Sent: Monday, December 08, 2008 4:52 PM
To: Dye, Dave; Agnew, Bruce; Alaskan Way Viaduct; grace.crunican@seattle.gov; harold.taniguchi@metrokc.gov; Paananen, Ron; ron.posthuma@metrokc.gov; sextonr@wellsfargo.com; Washj@foster.com; bobd@keepclam.com; david@mlkclc.org; warren@ballardoil.com; pehrsonj@comcast.net; bayouwonder@comcast.net; bregards@speakeasy.net; maholnc@bumgardner.biz; jim@ohalloran.cc; jaltman8@comcast.net; mpmcumber@comcast.net; todd.vogel@nuladvisers.org; cary@peopleswaterfront.org; genensusan@comcast.net; vlad@voka.us; donnewby@msn.com; peter@RHPPublishing.com; Parsons, Jim; DJohnConey@aol.com; kfletcher@pugetsound.org; rob@transportationchoices.org; sranf@Mariners.org; Powers, Bob; reneer@discovery.org; chuck.ayers@cascadebicycleclub.org; local19pres@Qwest.net; carol@pikeplacemarket.org; erichardson@seedseattle.org; sjtaoka@yahoo.com; mike.obrien@cascade.sierraclub.org
Cc: Hammond, Paula
Subject: Re: Letter to Project Team and Stakeholders from leading tunnel experts

Hi David. Have the stakeholders been provided with specific numbers relating to risks, design allowances or inflation for each of the alternatives? I remember asking for them at one of the late November meetings to try to get a handle on an apples to apples comparison.

John O.

In a message dated 12/8/2008 4:45:52 P.M. Pacific Standard Time, DyeD@wsdot.wa.gov writes:

Bruce - Thanks for providing the attached information...it took a lot of work to assemble and I think it will be helpful for people interested in this conversation.

I do have some questions, though. First, the cost information states that the costs are not adjusted for inflation...this is a potential problem. (Are the numbers reported on page 11 actual project costs regardless of year or are they all normalized to 2008?) If it's the latter, it's probably not that big a deal. If not, it is. The department (and other public works agencies) have seen (until just recently) constant upwards pressure on all the indices related to construction materials, equipment and labor. Did you know

that between 2003 and 2008 there was the same level of increase in these indices as there was the entire 13 year period prior? (Something on the order of a 50% increase.) This means that project costs reported on the attached table that occurred just 5 years ago could be significantly higher today. Of course, the ability to accurately predict future increases is another matter and it is important to note that WSDOT has narrowed the range of inflation applied to these estimates to better match today's economic situation. While there is substantial debate about the rate of inflation over the next several years, not many are predicting substantial deflation. Do you have other information?

Another question is what is and is not included in the cost estimates reported on the attached charts? Are they all inclusive, with things like utilities, roadways, and portals and portal structures and ventilation facilities etc. or are they contract prices for the tunnel boring only? My experience in project estimate cost comparisons says there is no real standard practice in that regard, and again, inclusive "central waterfront" cost estimates might be substantially different than tunnel boring-only costs. We really need to get that sorted out for our "apples-to-apples" comparison.

Finally, with regard to risks, design allowances and inflation, we believe the level of contingencies is appropriate given the level of design for the project options (some are better known than others). Our assumptions were closely scrutinized by the Expert Review Panel assembled a couple of years ago and again by the independent cost review completed for the RTID work program. What would be helpful is to hear from your experts, specifically, what they suggest for design allowance, risk, and general inflation for a project of this magnitude at this level of design. If they think we are high, I'd be very interested in the specific points of view and how we could adjust those costs.

Again, thanks for providing this information. I look forward to hearing from you.

David Dye
Deputy Secretary, Washington State Department of Transportation

From: Renee Roline [mailto:reener@discovery.org] **On Behalf Of** Bruce Agnew

Sent: Monday, December 08, 2008 3:36 PM

To: Alaskan Way Viaduct; Grace Crunican; Dye, Dave; harold.taniguchi@metrokc.gov; Paananen, Ron; ron.posthuma@metrokc.gov; sextonr@wellsfargo.com; Tayloe Washburn; Bob Donegan; David Freiboth; warren@ballardoil.com; pehrsonj@comcast.net; bayowonder@comcast.net; bregards@speakeasy.net; maholnc@bumgardner.biz; jim@ohalloran.cc; Jeff Altman; mpmccumber@comcast.net; todd.vogel@nuladvisers.org; cary@peopleswaterfront.org; genensusan@comcast.net; vlad@voka.us; donnewby@msn.com; Peter Philips; Parsons, Jim; John Coney; Kathy Fletcher; Rob Johnson; sranf@Mariners.org; Powers, Bob; Renee Roline; chuck.ayers@cascadebicycleclub.org; local19pres@Qwest.net; Carol Binder; erichardson@seedseattle.org; sjtaoka@yahoo.com; mike.obrien@cascade.sierraclub.org; JCODL@aol.com

Subject: Letter to Project Team and Stakeholders from leading tunnel experts

Dear Project Team and Stakeholders,

Enclosed you will find a letter from leading tunneling experts and their opinion on the cost estimates that have been presented regarding the bored-tunnel option (F).

Please review **page 11 of the attached power point** which shows the cost estimate provided by the project team in comparison with actual project costs from bored tunnels around the world. The Alaskan Way estimate appears to be significantly higher than any other tunnel project.

Feel free to contact us with any questions.

Thank you,

Bruce Agnew

206-228-4011

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