

VandenBerghe, Alissa (Consultant)

From: Morrison, Mike (Consultant)
Sent: Wednesday, December 31, 2008 11:54 AM
To: Williamson, Alec
Subject: FW: Suggestion for a budget change
Follow Up Flag: Follow up
Flag Status: Red

Alec,

I talked to Matt briefly in the hall about the meeting. I understand that the \$70M for viaduct that Dave Dye had in his mind has been corrected.

With regard to inflation, I am nervous about changing anything there. I do not even know how Gordon got the 15.55% he used in the most recent tunnel cost estimates. It does not come from the GI numbers. It is also not 2.5% compounded over any number of years that I can compute. Maybe he can explain it next week.

Happy New Year!

Best Regards,

Mike Morrison

Program Estimator

Alaskan Way Viaduct Program

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From: Dye, Dave
Sent: Wednesday, December 31, 2008 11:02 AM
To: Williamson, Alec; Morrison, Mike (Consultant); Grotefendt, Amy (Consultant); Paananen, Ron; White, John; Preedy, Matt; Greco, Theresa
Cc: Jarnagan, Harry (Consultant); Smith, Brian (Consultant)
Subject: RE: Suggestion for a budget change

Alec - thanks, every \$70 million helps. Any chance we can whittle down our pe and ce to get a few more bucks without jeopardizing successful delivery at this point? What about our inflation estimates? With your \$70 million (if it stands), I need 160 million to balance the books for the tunnel only...keep digging (pun intended).

-dave

From: Williamson, Alec
Sent: Wednesday, December 31, 2008 10:31 AM
To: Dye, Dave; Morrison, Mike (Consultant); Grotefendt, Amy (Consultant); Paananen, Ron; White, John; Preedy, Matt; Greco, Theresa
Cc: Jarnagan, Harry (Consultant); Smith, Brian (Consultant)
Subject: RE: Suggestion for a budget change

Dave- no money in the 2.13 for connection to Elliott/Western after all, it was some surface street connection money for the south end ramp connections- my mistake. The \$200M for E/W connection is high though, probably more like

\$130. We are verifying that number in our meeting with Amy right now.

From: Dye, Dave

Sent: Wednesday, December 31, 2008 9:46 AM

To: Williamson, Alec; Morrison, Mike (Consultant); Grotefendt, Amy (Consultant); Paananen, Ron; White, John; Preedy, Matt; Greco, Theresa

Cc: Jarnagan, Harry (Consultant); Smith, Brian (Consultant)

Subject: RE: Suggestion for a budget change

Alec - Thanks for this, it is very helpful. Also, you mentioned yesterday you thought that we might have some basic alaskan way (perhaps connection to Elliott Western) restoration costs contained within the 2.130 billion figure for the bored tunnel...now would be a very good time to take that apart and see if there is some double-counting wrt the 200 million line item we added, and if so, how much...getting to crunch time so a quick look at this with response asap would be great...thanks in advance for the effort...

-dave

From: Williamson, Alec

Sent: Wednesday, December 31, 2008 8:46 AM

To: Morrison, Mike (Consultant); Grotefendt, Amy (Consultant); Paananen, Ron; White, John; Dye, Dave; Preedy, Matt; Greco, Theresa

Cc: Jarnagan, Harry (Consultant); Smith, Brian (Consultant)

Subject: RE: Suggestion for a budget change

I have taken a look at what may be available also, and my estimate is in the \$200 million dollar range. The difference is that I account for an additional \$28-30 million for the electrical line relocation King to Union project and I use a figure of \$50-85 million for the Holgate to King transition section. Here is my basic breakdown:

Lenora to BST: \$52

Elec Line Relo: \$28-30

Holgate to King: \$50-85

BST Phase 2: \$57

Total: \$187-224

Another consideration would be BST Phase 1- we could drop back to the original emergency repair contract (or some hybrid) and save an additional \$15-20 million.

It's probably better to characterize this as a range until we do a more thorough budget analysis.

Alec

From: Morrison, Mike (Consultant)

Sent: Wednesday, December 31, 2008 8:16 AM

To: Grotefendt, Amy (Consultant); Paananen, Ron; White, John; Dye, Dave; Williamson, Alec; Preedy, Matt; Greco, Theresa

Cc: Jarnagan, Harry (Consultant); Smith, Brian (Consultant)

Subject: Suggestion for a budget change

Amy, et al

Attached you will find a suggested revision for the revenue included in the spreadsheet that you sent to us yesterday. Brian Smith has suggested that we could reallocate up to \$150M from existing Moving Forward projects to the Central Waterfront. There are many considerations about this that should be noted. This source of funding would be the

6/25/2009

elimination of the Lenora to Battery St.; the Battery St. Tunnel Stage 2 and some changes to Stages 3 and 4 of the S. Holgate to S. King St. projects, Stages 3 and 4. This may not be "all new funds" since some of the potential savings from Stages 3 and 4 for the S. Holgate to S. King St. Projects may need to be spent depending on the hybrid solution chosen.

Obviously WSDOT management needs to address this further, and that is why this e-mail is not addressed to all of the Tri-Agency people.

Here is the text of Brian's e-mail to me last evening:

"Mike,

*Please find attached an estimate of the potential contribution of deferred Moving Forward project elements to the Central Waterfront scenarios. These projects consist of Lenora to Battery St. Tunnel, Stage 2 of Battery Street Tunnel Fire & Life Safety Improvements and Stages 3 & 4 of Holgate to King Viaduct Replacement projects. An initial estimate of the potential contribution is **\$150 million**.*

*The potential contribution from Stages 3/4 of Holgate to King does not consist of the Revision 0 of the proposed 09-11 Budget (Governor's Budget) due to the **preliminary** results from the CEVP recently held for the Holgate to King Project. Page 2 of the attached analysis indicates that a combination of underages and overages results in a net increase of about \$80 million to the entire Holgate to King Project (based upon the 60% percentile using the Expert Review Panel escalation factor). In the event that the Holgate to King Project is asked to contribute Stages 3 and 4, at least \$80 million needs to be held back in order to cover the forecasted increase for Stage 2, and this would add in a small safety factor for Phase 1 as well (which is projected to under-run).*

For all projects, a round number for a potential contribution to the Central Waterfront from Moving Forward deferrals is \$150 million. Of course if a more conservative approach is desired (say if the CEVP results use a higher Percentile), this estimate could be lowered.

Regards,

*Brian C. Smith
Project Controls Manager
Alaskan Way Viaduct and Seawall Replacement Program
206.267.6525"*

Brian's analysis is also attached as a .pdf file.

Best Regards,

Mike Morrison

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