
From: John Reilly [jjreils@attglobal.net]
Sent: Wednesday, February 11, 2009 4:06 PM
To: Dye, Dave
Cc: Grotefendt, Amy; Paananen, Ron
Subject: Re: Cost of tunnel projects

Ron and Dave - there are no good apples to apples (well, a few - as I noted before and see below) to answer this question simply. Harvey is getting all the data that is available and relevant. We'll need to tell the story in a way that uses real projects/data and - successful and not / lessons learned - and illustrates how we do estimating (CEVP), from those lessons learned on projects that had cost overruns, what that means for the AWV tunnel budget "number/range" and what are our management process to delivery on schedule and on budget.

I'll discuss with John and Theresa and Amy/Kristy. I've told Harvey that we'll work this Friday (and the weekend) with the data that he has by Friday am.

From Mike McBride:

The south Boston cso tunnel project 10852 feet of 17 foot lined tunnel had an engineers construction estimate of 178 million was awarded at 146 million and should finish around 144 million.

The metrowest water supply tunnel program budget was set at \$728 million after we bid the first piece and completed a overall cost and schedule review. The program was completed for \$665 million.

Regards, John Reilly
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----- Original Message -----

From: [Dye, Dave](#)
To: [Ziegler, Jennifer](#)
Cc: [Reilly, John](#) ; [Paananen, Ron](#)
Sent: Wednesday, February 11, 2009 1:52 PM
Subject: RE: Couple Viaduct Items

Jennifer - In general, the agency holding the contract holds the risk for overruns. We have some partnership agreements where there are shared (usually proportionate percentages) risks for overruns when multiple partners are contributing to the project...usually though, there is not the clear line of definition between the items of scope like in the viaduct project (more typically a private, local agency, and state investment in a new interchange or something like that...since we usually have the lions share of funding, we usually bear the bulk of cost overrun risk.

Regarding successful tunnel projects, I just bugged Ron and John Reilly and they are trying to put something together but it is hard, as you can imagine, to find direct apples to apples comparisons...by cc I'll bug again.

It probably goes without saying but no other project on the nickel or TPA list has someone else assuming the risk of overruns -- the irrational fear of the big dig has indeed become the rallying cry and I wonder out loud if we haven't done a good enough job comparing risks of the various options (I think that was a one pager request, right Ron) and wonder again when that will be done...building an elevated structure along the waterfront next to and around the existing viaduct is very risky also...again by cc will bug...

As for Friday, I'm out of town so we'll make sure to have Ron carry the water on the "WSDOT Runs the Show Without Owning Everything" program...Ron, are you ready to make that pitch?

Will call soon...thanks!

-dave

From: Ziegler, Jennifer (GOV) [mailto:Jennifer.Ziegler@gov.wa.gov]
Sent: Wednesday, February 11, 2009 10:53 AM
To: Dye, Dave
Subject: Couple Viaduct Items

Before I forget, thought I'd check-in on a couple things. The overrun issue is definitely becoming the coalescing point for opposition. I think it will help a bunch to be able to show other on-budget deep bore projects. The other thing I think we should start saying is that there is not another state highway project where we have ever put the local government on the hook for cost overruns--is that accurate? This became a big deal at highway users this morning.

Also, Ron P. has time with Carlyle on Friday and I wanted to see if you also planned to be there. It would be a good chance to discuss the oversight issue.

Finally, when you have a minute call me and I'll give you the most recent MVET update.

Nice job on the testimony yesterday. I think the hearing went relatively well.

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