From: John Reilly [jjreils@attglobal.net]

Sent: Monday, April 20, 2009 1:07 PM

To: Paananen, Ron; White, John

Cc: Greco, Theresa

Subject: Re: AWV Question

Ron - need to keep our terms straight. Design allowance (don't call it contingency) is a quantified uncertainty that is part of base. Risk is (are) events that, if they occur, have a positive or negative effect and is not part of base. I don't know why the 2 terms (risk, contingency) were used in that table and, if so, what the different labels meant. I'll check internally.

Regards, John Reilly
Web: www.JohnReilly.us
Cell: +1-508-904-3434

----- Original Message -----
From: Paananen, Ron
To: Reilly, John ; White, John
Cc: Greco, Theresa
Sent: Monday, April 20, 2009 12:53 PM
Subject: RE: AWV Question

Thanks. For some reason (I don't have my notes with me), in my response to Kathryn on the elevated, I thought I added the contingency amount (known unknowns or design allowance) to the base. Maybe I added it in the risk column.

From: John Reilly [mailto:jjreils@attglobal.net]
Sent: Monday, April 20, 2009 12:43 PM
To: White, John; Paananen, Ron
Cc: Greco, Theresa
Subject: Re: AWV Question

Ron - (contingency+risk) = risk. The 150+268 should be combined to one line for risk = 418.

Some of our friends are confused regarding risk vs. contingency (should be the same thing) vs. for example, design allowance. On my table design allowance (121) is part of "base" and is not part of the 418.

Let's discuss Tuesday when you're in the office

Regards, John Reilly
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----- Original Message -----
From: Paananen, Ron
To: Paananen, Ron ; Reilly, John ; White, John
Sent: Monday, April 20, 2009 11:25 AM
Subject: RE: AWV Question

Then again, maybe not. Attached is the table I was using. It adds up to $1.9 billion with $268 million for risk

6/30/2009

From: Paananen, Ron
Sent: Monday, April 20, 2009 11:08 AM
To: Paananen, Ron; Reilly, John; White, John
Subject: RE: AWV Question

John I think you are right. In reviewing the table I was looking at from a presentation, it lists risk at $268, but to add up to $1.9 billion, it should be $418 million for risk.

From: Paananen, Ron
Sent: Monday, April 20, 2009 11:02 AM
To: Reilly, John; White, John
Subject: RE: AWV Question

The table I have (that adds up to $1.9 billion) shows $268 million for risk. Coincidentally, or maybe not, 268+150 (contingency) equals $418.

From: John Reilly [mailto:jjreils@attglobal.net]
Sent: Monday, April 20, 2009 10:53 AM
To: Paananen, Ron; White, John
Subject: Re: AWV Question

Ron - the sheet I have has the same base costs ($944 + 118 + 118 +150 = 1330) but has $418 for risk = 418/1330 = 31.4%. Originally it was 41% until some elements of risk were moved to base.

To get more specific and cross-check, need to work this with Harry, Fiorentio and Morrison.

Regards, John Reilly
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----- Original Message -----
From: Paananen, Ron
To: Reilly, John ; White, John
Sent: Monday, April 20, 2009 9:19 AM
Subject: RE: AWV Question

I thought we lowered it, but I was thinking it was in the 25% range. Maybe I over simplified. If you take R/W out, it gets back to about 20%

From: John Reilly [mailto:jjreils@attglobal.net]
Sent: Monday, April 20, 2009 9:03 AM
To: Paananen, Ron; White, John
Subject: Re: AWV Question

Ron - a previous calc showed the tunnel risk at 31%. I'll dig that out and respond further.

Regards, John Reilly
Web: www.JohnReilly.us
Cell: +1-508-904-3434

----- Original Message -----
From: Paananen, Ron

6/30/2009

To: <u>White, John</u> ; <u>Reilly, John</u>
Sent: Monday, April 20, 2009 8:28 AM
Subject: FW: AWV Question

Using the same logic I did answering Kathryn the first time, it looks to me like the tunnel risk would be estimated as 268 /(944 + 118 + 118 + 150) = 18%. (risk / base + design + admin + ROW). Escalation is $116 million. It seems like I am missing something. I don't recall the risk percentage we plugged into the table.

My draft reply is as follows:

Kathryn,
The risk for the bored tunnel was set at 18%. We established this based on extensive input from worldwide tunneling experts and cost estimators. Its important to recognize that the two projects have very different risk profiles. The bored tunnel avoids some the high risk issues on the waterfront such as seawall construction, extensive utility relocation, and resources issues working close to Elliot Bay. Additionally, business and traffic disruption increase the risk of construction on the waterfront. This was also true for the cut and cover tunnel. Building the new elevated structure itself is relatively straight forward.

The bored tunnel, while utilizing complicated construction methods, avoids most of the major risk items associated with a capacity replacement on the waterfront.

-----Original Message-----
From: Leathers, Kathryn [mailto:Leathers.Kathryn@leg.wa.gov]
Sent: Saturday, April 18, 2009 12:31 PM
To: Paananen, Ron; Dye, Dave
Subject: RE: AWV Question

Ron - Am I calculating the risk for tunnel correctly at about 29% (700M risk, using 2,400 for total state funds; if state total funding is 2,800, risk would be 25%, same as elevated)? Thanks. K

-----Original Message-----
From: Paananen, Ron [mailto:PaananR@wsdot.wa.gov]
Sent: Friday, April 17, 2009 7:12 PM
To: Leathers, Kathryn; Dye, Dave
Subject: RE: AWV Question

Kathryn, Orlando
During the stakeholder process, we analyzed what was known as Scenario M, known as the Elevated Bypass option. The SR 99 component was a 4 lane elevated structure without midtown ramps at Columbia and Seneca. This allowed the elevated to function well with 4 lanes - as the Columbia / Seneca traffic is accommodated with the new south end ramps.

For the SR 99 portion of the estimate, scenario M included the following:

*
Prior expenditures and moving forward - $1,067 million
*
Central Waterfront - $1,662 million

Recall that the prior expenditures and moving forward includes the viaduct replacement from Holgate to King Street, or about 40% of the total viaduct length. Extensive reconstruction of the Battery Street Tunnel was also included, along with traffic mitigation projects.

The $1,662 million central waterfront elevated estimate includes reconstruction of the seawall, public utility relocation, surface restoration including a new surface street (4 lanes from Pike to Columbia, and 6 lanes from Columbia to Atlantic). That estimate can be broken down as follows: Base $1,157 million; Risk $289 million and Escalation at $216 million. The Risk represents about 25% of the base estimate.

Let me know if you need more information.

_____

From: Leathers, Kathryn [mailto:Leathers.Kathryn@leg.wa.gov]
Sent: Thu 4/16/2009 10:36 AM
To: Dye, Dave
Cc: Paananen, Ron
Subject: AWV Question

Dave - I've been asked to find out the total amount of contingency/risk funds that were included in the replacement/rebuild cost estimates. I looked back at my notes & files, but haven't been able to locate that information. In short, I need to know:

* Total cost estimates for the rebuild; and
* Total contingency/risk funding included in the total cost estimates.

Thank you,
Kathryn