
From: John Reilly [jjreils@attglobal.net]
Sent: Friday, May 08, 2009 9:20 PM
To: White, John; Paananen, Ron; Grotefendt, Amy (Consultant)
Cc: Van Ness, Kristy (Consultant)
Subject: Re: Help needed -- risk #

Dear all:

We need to move the governor and all electeds off the idea that there is no chance of a cost greater than the "budget" - i.e. \$1.9 billion - for the tunnel. Approximately (rough guide) from the workshop we did, the \$1.9 represents maybe the 60-70% probability number. That means there would be about a 30-40% chance that the outturn cost would be higher.

So, we need to highlight that this will be a significantly difficult task but, with good management, innovation, an effective strategy and hard work delivery on time and at or under budget is achievable. My suggestion follows - this is what I'd say.

"This is a very important, complex and challenging project. It will require us to use good management, an effective strategy, innovation and hard work. Delivering a project like this on time and at or under budget is not a certainty but it is definitely achievable. I have confidence that this can and will be done. We will keep you, the stakeholders, up to date on the work as it progresses and as key issues are resolved...."

Regards, John Reilly
 Web: www.JohnReilly.us
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----- Original Message -----

From: [White, John](#)
To: [Paananen, Ron](#) ; [Grotefendt, Amy \(Consultant\)](#) ; [Reilly, John](#)
Cc: [Van Ness, Kristy \(Consultant\)](#)
Sent: Friday, May 08, 2009 5:46 PM
Subject: RE: Help needed -- risk #

Can we kick around suggestions on how the Governor make's this statement a bit over the weekend, or is the below wording a foregone conclusion and the only option is to plug a number into that sentence?

From: Paananen, Ron
Sent: Friday, May 08, 2009 4:14 PM
To: Grotefendt, Amy (Consultant); White, John
Cc: Van Ness, Kristy (Consultant)
Subject: RE: Help needed -- risk #

XX = 31% for the bored tunnel.

Here is what I sent to Kathryn Leathers a month or so ago.

	Elevated Structure	Bored Tunnel
Base	\$1.157 billion	\$1.329 billion

Risk	\$289 million (25%)	\$418 million (31%)
Escalation	\$216 million	\$166 million
Total	\$1.662 billion	\$1.913 billion

From: Grotefendt, Amy (Consultant)

Sent: Friday, May 08, 2009 4:08 PM

To: White, John; Paananen, Ron

Cc: Van Ness, Kristy (Consultant)

Subject: Help needed -- risk #

Can you help fill in this sentence -- part of governor's remarks for Tuesday. We need by Monday morning.
Thanks.

Just as there were years of research and analysis on the replacement options, there were financial tests and trials to determine how we CAN do this. There is a healthy XX% contingency built into our cost estimates.