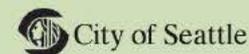
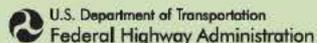


# Alaskan Way Viaduct Replacement Program Expert Review Panel Updated Report

**Dr. Patricia D. Galloway, P.E., Chair**  
**Mr. John Rose**  
**Mr. Robert Goodfellow, P.E.**

## Alaskan Way Viaduct Replacement Program



# Expert Review Panel Charge

- **Update of the ERP's initial February 2012 Report with the following main objectives:**
  - 1. Review the 2012 updated Federal Highway Administration (“FHWA”) Financial Plan for the Project to ensure:**
    - Identifies secured and anticipated funding sources
    - Feasible and sufficient
  - 2. Review the Project's key assumptions established for the schedules, risk identification and management, and cost estimate to assure reasonableness**
  - 3. Identify (a) the successes to date on the Project; (b) ERP recommendations made in its 2012 Report not yet implemented; and, (c) challenges currently facing the Project with potential impacts and recommended actions**

# Overall Findings

- **ERP continues to be confident that based on course of action to date, Project has ability to be successfully completed**
- **Project currently proceeding within its overall approved budget**
- **WSDOT implemented several of the ERP's February 2012 recommendations; some still need to be resolved**
- **Project schedule is ambitious with risk factors having potential to impact completion date if mitigation measures not accomplished**
- **The Project is entering a six-month period of several crucial milestones that will have a significant impact**
- **ERP is increasingly concerned that important funding sources remain unsecured**
- **Progress needed to improve communication between partners including need to immediately reconvene Governor Project Oversight Committee**

# Notable Accomplishments

- **Completion of S. Holgate to King project on time and within budget**
- **Voter approval of financing for City of Seattle's Seawall project**
- **Resolution of the Western Building stabilization**
- **Reinforcing of Viaduct conducted as planned**

# Notable Accomplishments

- **Substantial completion of right of way acquisitions**
- **Securement of Federal funds to offset identified reduction in anticipated tolling revenues**
- **Important improvements to risk management practices**
- **Installation of settling monitoring stations and instrumentation structures along tunnel route**
- **Receipt of 5 awards for Milepost 31 Information Center**

# Notable Accomplishments

- **Completion of Tunnel Boring Machine**
- **Tunnel Contractor and Hitachi succeeded in turning around the re-assembly, testing and disassembly of TBM to meet the TBM shipping date.**



# General Findings

## *FHWA Approval*

- **The FHWA State Division approved the State's 2012 Finance Plan Annual Update**
- **FHWA verified to the ERP that all Federal sources for the Project are secured**
- **FHWA's review does not cover all topics needed to evaluate the Project's finances**

# General Findings

## *Cost Estimate*

- **The ERP concludes the cost estimate of \$3.145B is still valid**
- **Costs based on WSDOT's Cost Estimate Validation Process ("CEVP"), ERP finds this to be a valid basis**
  1. **Changes to date in estimated costs are relatively minor and within the expected range for this stage of the Project**
  2. **Budget allowances for projects not subjected to the CEVP process are likely sufficient to meet the State's goals**
  3. **No major new risks identified; however potential schedule delays remain a significant risk to the Project's overall cost**
  4. **The Project's budget continues to provide an appropriate amount of unallocated contingency funds**

# General Findings

## *Funding Sources*

- **Significant amount of Project funding not yet secured**
  - Toll funds are not secured, and the Legislature may wish to provide policy guidance to parties considering tolling options
    - Federal funds identified in the 2011 initial financial plan have been augmented by additional funds, replacing \$235M previously to be provided by tolling
  - The Port has been credited with a \$19M contribution to the Project; the remaining \$281M is not yet secured
  - Transit funds are not secured
- **MVFT Funding appears secure, however adjustment which balanced account is result of under-funding maintenance costs**

# General Findings

## *Critical Milestones*

- **Critical 2013 Milestones:**
  - 2/28: Begin Load of TBM in Japan [√]
  - 4/8: Final Preparation of Launch Pit Complete
  - 4/9: TBM Arrives on Site
  - 6/7: TBM Assembled and Commissioning Complete
  - 6/18: Launch TBM
  - June: Finalize Binding Agreement with Port of Seattle
  - June: Finalize Agreement with City of Seattle
  - June: Receive ACCT Report and Recommendation on Tolling
  - Fall: WSDOT Completes/FHWA Reviews updated Financial Plan
  - Late Fall: Safe Haven #3, Activity to be Completed Immediately Prior to Tunneling Under Viaduct: Official End of “Tunnel in Box” Testing

***Each should be monitored carefully, as any delay can potentially have significant impacts to the Project***

# General Findings

## *Relations with Project Partners*

- **Significant improvement in WSDOT's cooperation with City of Seattle on surface street projects – but still a need for a formal agreement**
- **No binding agreement with the Port to formalize the commitments made**
- **Failure to reconvene the Project Oversight Committee increases risk of confusion and/or failed commitments by Project partners**

# General Findings

## *Project Team & Management*

- **Construction Management policies and procedures are being implemented and followed in accordance with industry standards**
- **The Project is well managed by an experienced and competent team**
- **There have been significant changes in WSDOT leadership personnel assigned to the Project**
  - **No adverse consequences shown, but staff continuity will be of increased importance as the Project enters a critical phase**

# Overall Observation

- **ERP impressed with skill and experience the WSDOT Staff brought to the process**
- **ERP commends the Governor and the Legislature for their continued commitment to the Program since without their leadership, rebuilding this key public asset would be impossible**

# Actions to be Monitored over Next 6 Months

- **Funding Actions**

- Port and WSDOT should act quickly to enter into a written, binding agreement for the Port's financial contribution
- State officials should give policy direction to guide new analyses of tolling options; these analyses and related decision should be completed in time for the 2014 Legislature to confirm revenue sources committed to the Project
- Transportation Commission should work with State Treasurer and Finance Committee to establish policies to ensure adequate capital funds generated from toll revenues

# Actions to be Monitored over Next 6 Months

- **Funding Actions (Continued)**
  - Legislature should review WSDOT's recent allocations of new Federal funds to the Project, considering the impact on other State project, on negotiations with the Port, and on tolling decisions
  - Governor and Legislature should consider legislative authority for local taxes to provide transit enhancement to meet passenger and freight mobility goals
  - Legislature should monitor updated projections re: MVFT Funds to retain confidence that needed bonds can be sold without requiring inadvisable diversion of revenue from maintenance needs

# **Actions to be Monitored over Next 6 Months**

- **City and State Project Interface Actions**
  - **The Governor should reconvene the POC so that important partners can affirm their institutional commitments and new participants can be well-informed**
  - **The City and WSDOT should continue to work together and enter into a written binding agreement memorializing their mutual understanding to their respective roles, responsibilities, and scope for the design and construction of tunnel follow-on projects, including Alaskan Way surface street projects**
  - **WSDOT should continue to monitor the City's implementation of the Mercer West and Seawall Replacement contracts**

# Actions to be Monitored over Next 6 Months

- **Design-Build Contract Actions**

- WSDOT should continue focus on all pre-tunneling activities (e.g. shipping, re-assembly, final testing and commissioning, site excavation, etc.) to mitigate any potential delay to start of tunneling
- WSDOT should remain focused on obtaining/evaluating the validity of work plans related to post-TBM launch activities
- WSDOT should consider additional steps to further protect the State's contractual rights in advance of any potential disputes under the design-build tunnel contract
- Follow-on projects following tunnel construction must continue to proceed on schedule; interactions with these projects will increase to ensure mutual milestones are realized

# Actions to be Monitored over Next 6 Months

- **Reaffirm Stakeholder Understandings of Project Goals and Objectives**
  - Stabilize the Project team following the significant changes in AWW Project Team, Project Stakeholders positions and government leader positions
    - Since the ERP's February 2012 Report, positions changed include: Governor; State Legislature; Secretary of Transportation; FHWA Representative; WSDOT; Port Commissioners; and Contractor
    - A mixed political or Project team message may result in a lack of alignment which could be highly counterproductive to the success of the Project

# Concluding Remarks

- **The Project is entering a critical phase as the TBM is delivered and tunneling commences.**
  - The ERP has identified potential risks to the schedule, but too early to be certain that delays to Project completion will occur or at what cost
- **Next six months include several crucial Project milestones**
  - The ERP has identified actions that can reduce potential risks
- **Unsecured funding sources remains a large concern**
  - Action on tolling and the contribution from the Port is needed

# ERP Recommendation

- **Because of the number of significant action items and critical milestones over the next six months, the ERP strongly recommends the Governor and Legislature consider a semi-annual ERP update and approve a budget allowing the ERP to continue its more detailed annual reviews over the life of the Project as contemplated in the ERP's charge**

# Questions



**Questions?**