

SR 520 SDEIS Technical Work Session

Museum of History and Industry

September 16, 2008

Agenda

- Welcome and Meeting Overview
- Cost Estimate Validation Process
- Endangered Species Act and Stormwater Update
- Project Impact Plan
- Lid Leads Report Out
- West Side Outreach
- Acoustics Expert Review Panel Report Out
- Next Steps

**Cost Estimate Validation Process:
Building Success and Minimizing Surprises -
Helping Avoid Cost / Schedule Overrun**

SR 520 SDEIS Technical Work Session for Mediation
Participants

John Stout, Senior Economist, HDR



Definition of Terms

- **CRA – Cost Risk Analysis:**
 - Applies to projects 25 million to 100 million.
 - Internal subject matter experts may be used.
 - Held as needed.

- **Cost Estimation Validation Process (CEVP®):**
 - Applies to projects greater 100 million.
 - External subject matter experts required.
 - Typically held once every six to 12 months or as needed.

What is CEVP?

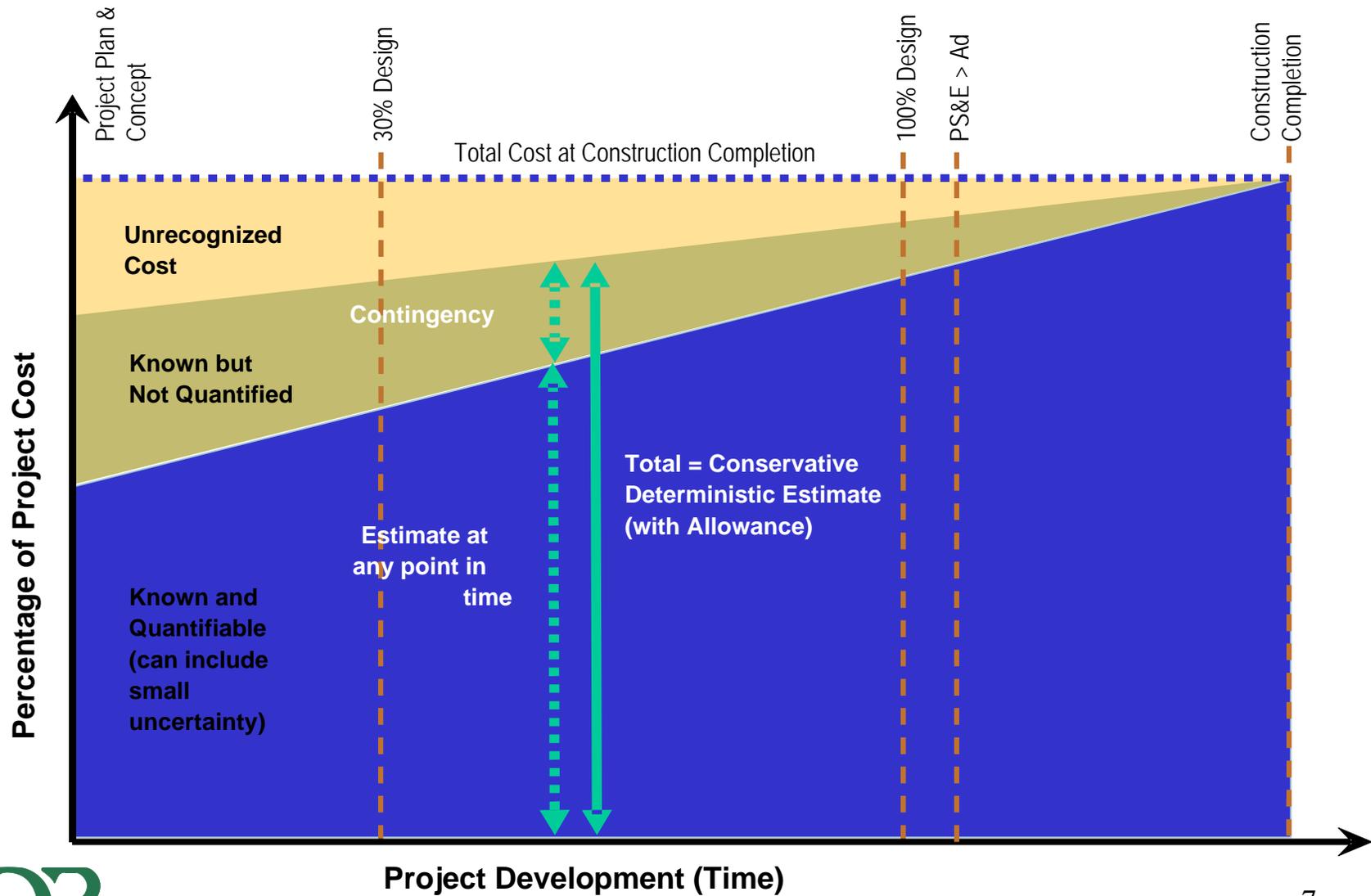
- What is CEVP?
 - Estimating tool that considers cost, schedule, risks, opportunities and uncertainties.
- Why CEVP?
 - More realistic projections of probable cost and schedule.
 - Better decision-making and risk management for projects and programs.

Why Risk Assessment?

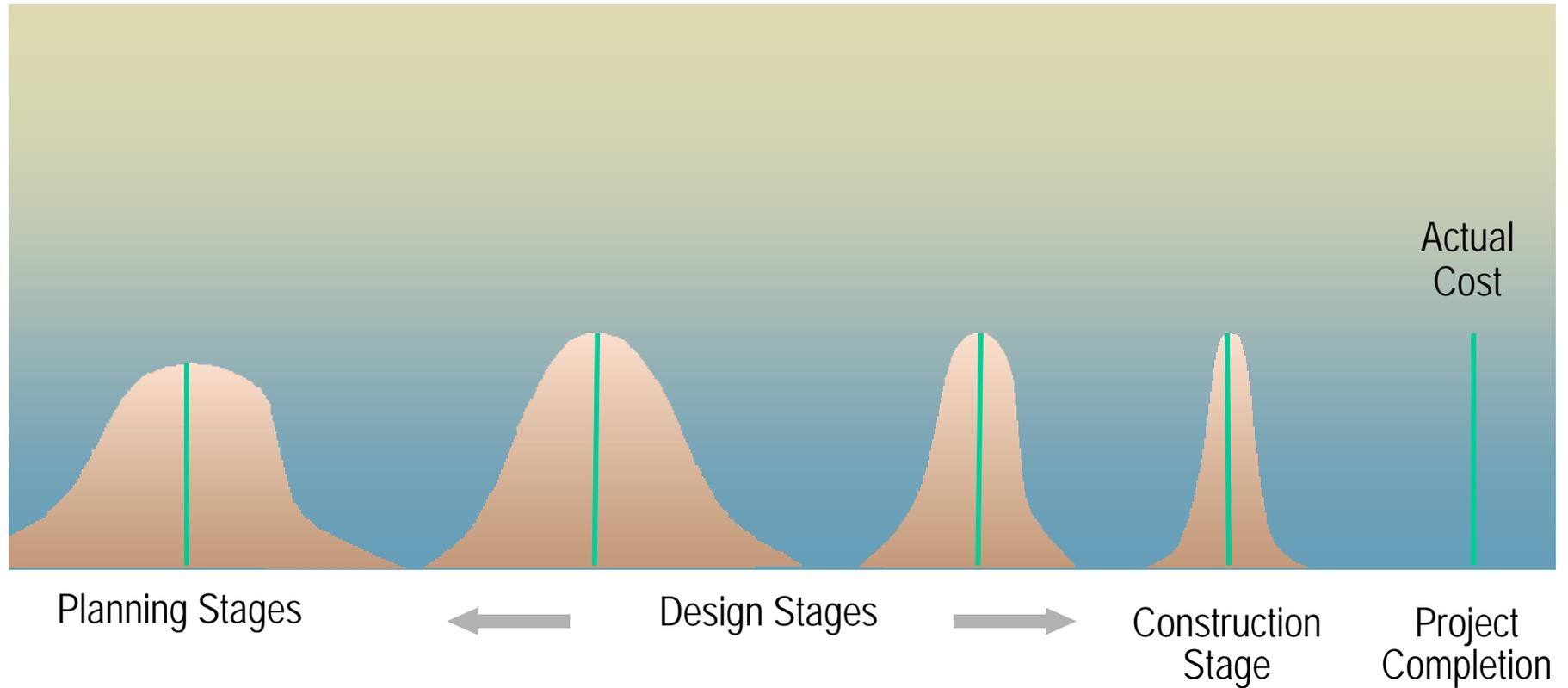
Risk Assessment provides significant value by:

1. Encouraging pro-activity and early planning within the project team to shift odds in their favor.
2. Providing the collaborative environment to develop mitigation strategies for all anticipated threats.
3. Building confidence and credibility in project's plans and estimates.
4. Ensuring transparency and integrity throughout the life-cycle of the project.
5. Providing the project's sponsor with better cost and schedule forecasts for planning, budgeting, and bonding.

Project Life Cycle

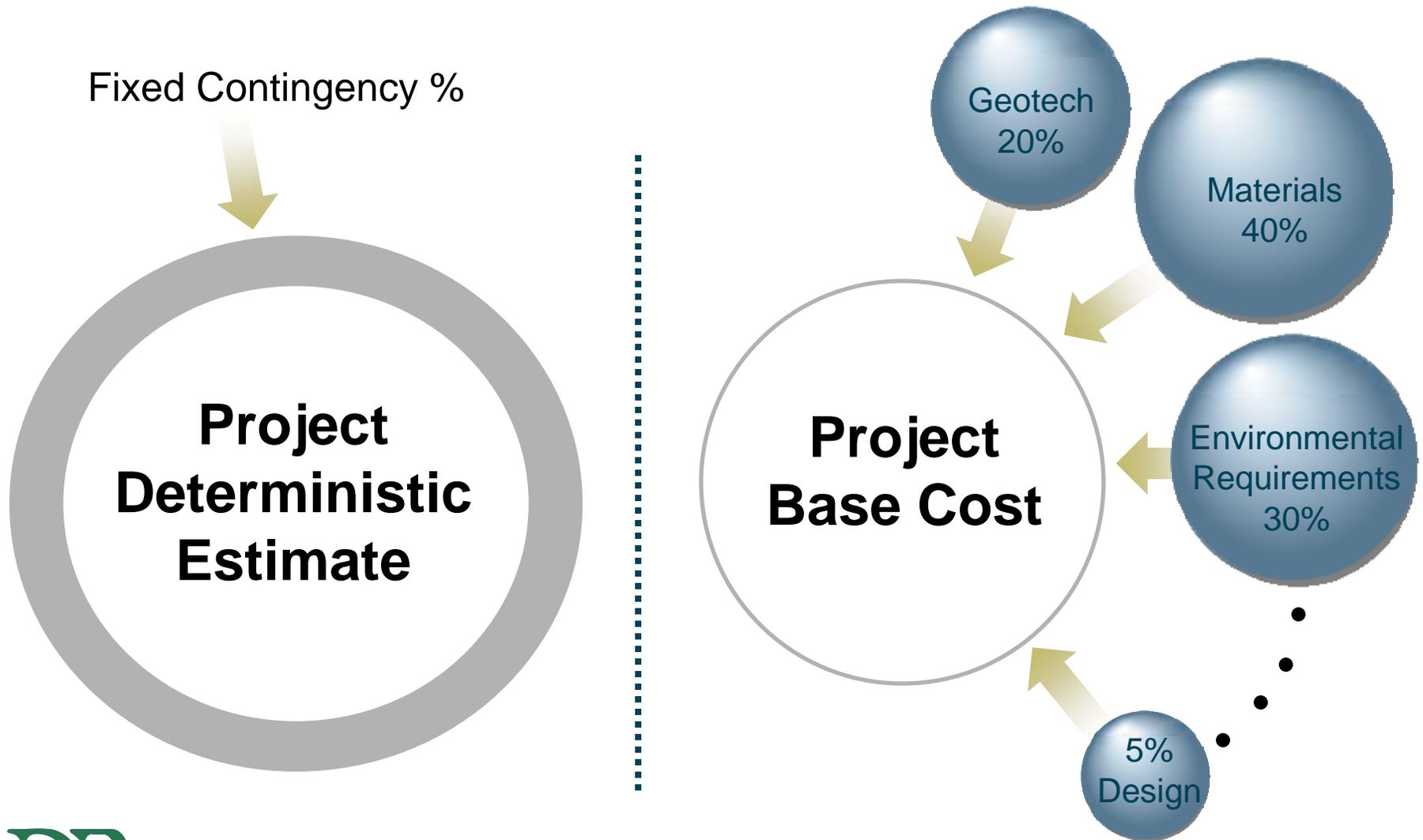


Uncertainty and the Project Delivery Process



Cost Estimation Process

Traditional vs. Risk-Based Approach



Type of Risks

- **Budget Risks**
 - Risk that budget elements will deviate from the estimate.
 - Examples: deviations in unit prices, deviations in quantities.

- **Event Risks**
 - Risk of internal or external events that force the project team to work beyond the estimate just to meet the Project Scope and SOW.
 - Examples: Extreme weather, contractor non-performance.

- **Scope Risks**
 - Risk of significant changes to project scope due to external pressures.
 - Examples: community pressures for changes in alignment or station location.

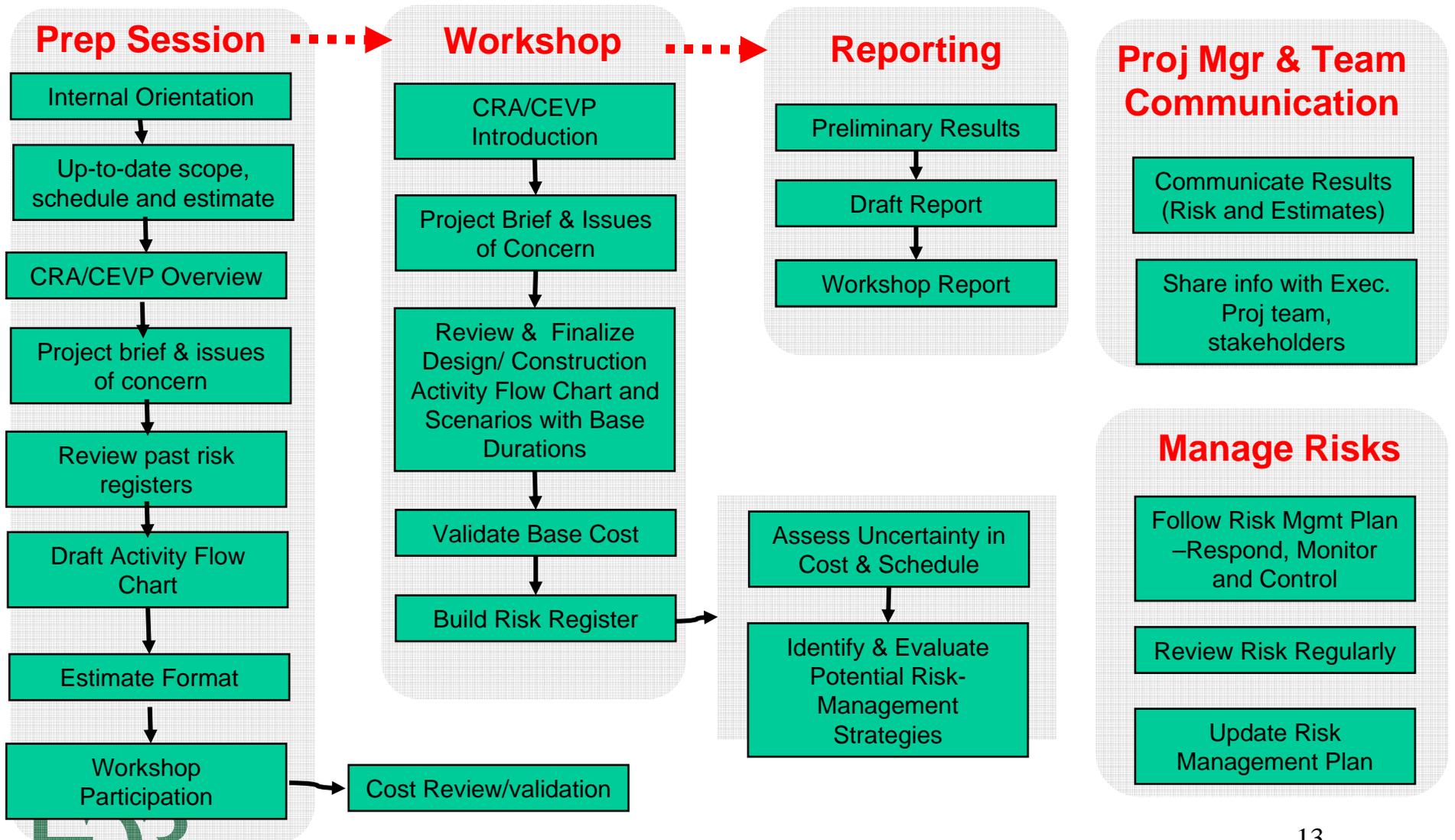
Principles of the Risk Assessment Approach

- Collaborative, team approach.
- Looks at design, right of way and construction.
- Defines threats and opportunities individually (to the extent possible).
- Provide broad flexibility to represent uncertainty and correlation.
- Identifies risk management strategies.

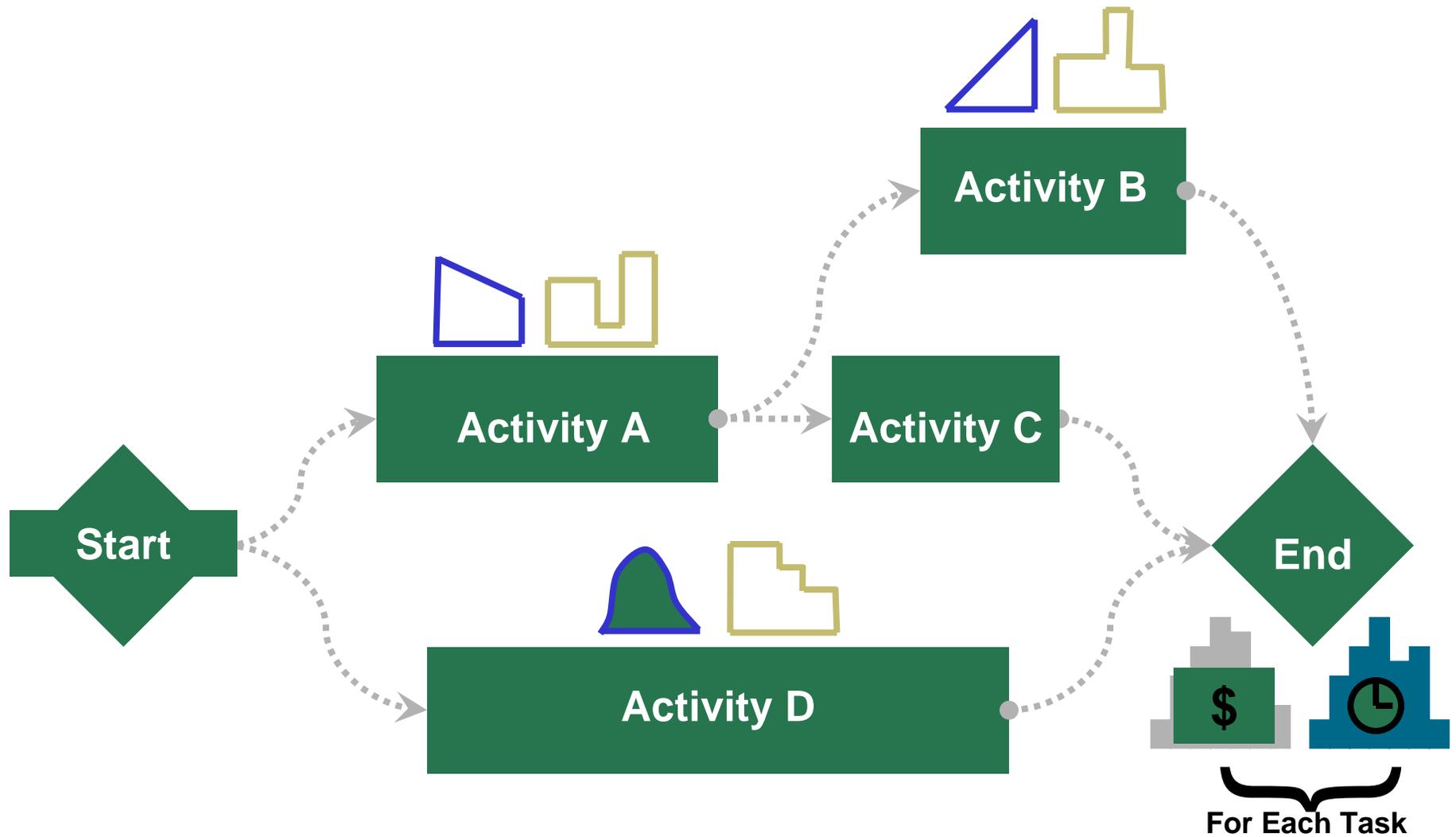
Cost Estimate Validation Process Key Steps

- **Step 1:**
 - **Preparation Session** with the project team to educate, plan, set the stage, and build expectation with the project team.
- **Step 2:**
 - **Workshop** to elicit project characteristics and develop understanding, solicit inputs, develop ranges, identify and quantify risk factors, identify opportunities, and develop mitigation strategies.
- **Step 3:**
 - **Modeling and reporting** to summarize all the project aspects in terms of risk as applied to budget, schedule, and management plan.

The CEVP Process

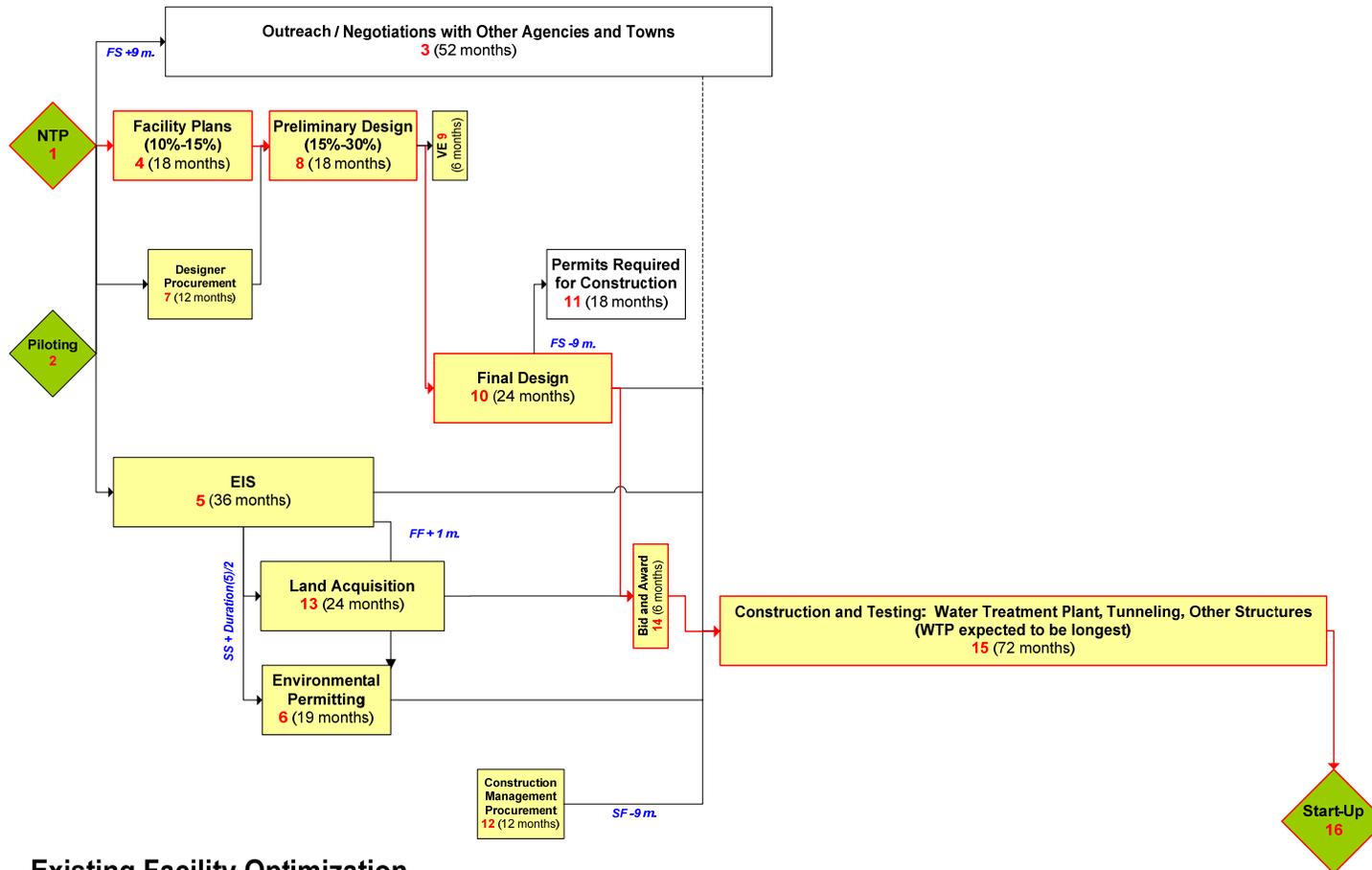


Building the Risk Analysis Backbone



Flowchart Diagram

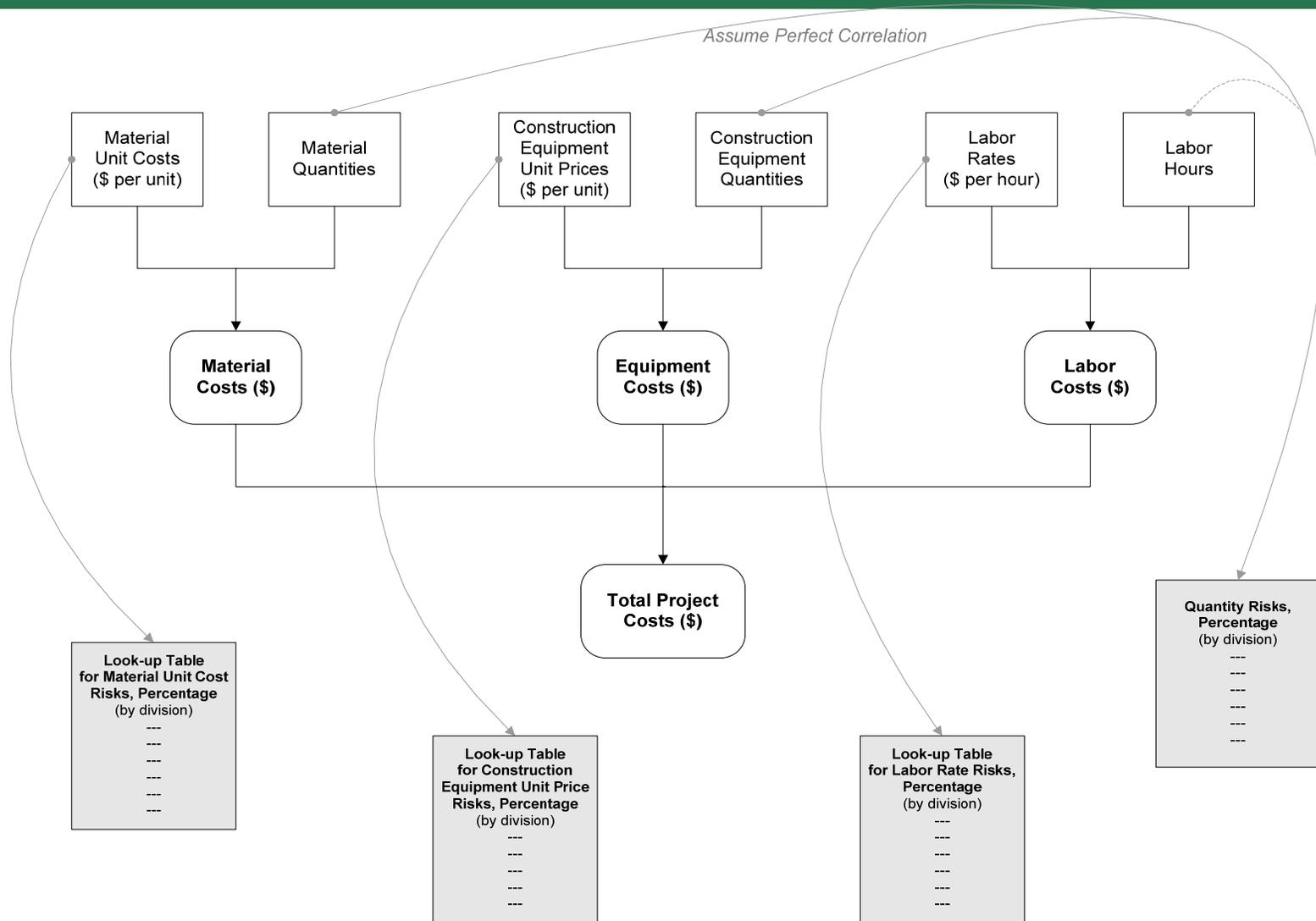
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------



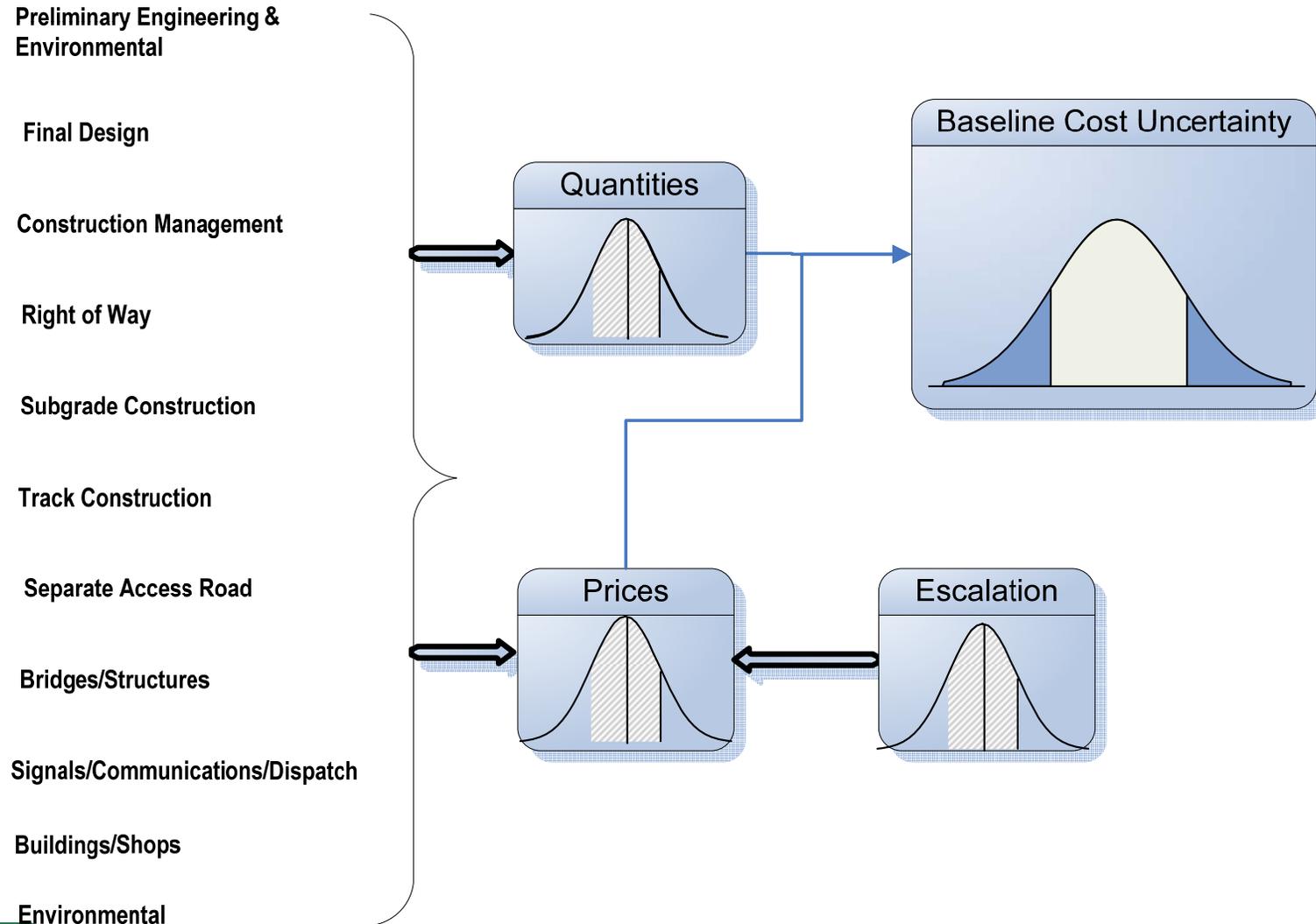
Existing Facility Optimization
 EF-03d
 New Croton Aqueduct
 200 mgd capacity pressurization



Assess Base Cost



Baseline Cost Uncertainty



Involvement of Project Team and Experts in a Consensus-Based Forum

- A risk analysis workshop is held to:
 - Review and validate cost estimates.
 - Identify and quantify potential risks.
 - Develop mitigation strategies.
- Expert panel consists of project team leads representing expertise such as:
 - Environmental
 - Right of Way
 - Geotechnical
 - Utilities
 - Construction
 - Political and Public Relations



Risk Factors

RISK CHECKLIST

Project Feasibility

- Technical feasibility
- Long-term viability
- Political circumstances

Funding

- Sources of funding
- Inflation and growth rates
- Accuracy of cost and contingencies
- Cash flow
- Exchange rates
- Appropriation

Planning

- Scope
- Complexity of the project
- Technical Constraints
- Sole source material or services
- Constructability
- Milestones (schedule)
- Tune to complete (schedule)
- Synchronization of work activities

Engineering

- Design and performance Specifications
- Unreliable data
- Complexity
- Completeness of design
- Accountability for design
- System integration

Type of Contract

- Lump sum
- Unit price
- Cost Plus
- Guaranteed Maximum Price

Contracting Arrangement

- Design-build
- Joint venture
- Single prime contractor
- Several prime contractors
- Innovative procurement

Regional and Local Business Conditions

- Number of bidders
- Unemployment rate in region
- Workload of regional contractors

Contractor Reliability

- Capability
- Capacity
- Credit Worthiness
- Personnel experience

RISK CHECKLIST, CONT.

Ability to Perform

- Familiarity with type work
- Availability and qualifications of key personnel
- Knowledge of area
- Completeness of design
- Quality of design
- Timeliness of design
- Complexity, constructability of design
- Requirements for new technology
- Competing activity on site
- Availability of access to work when required
- Need for work or fire permits

Time Factors

- Deadlines and milestones
- Available normal works days
- Potential for stoppages by other parties or situations

Owner Factors

- Financial stability
- Construction management sophistication
- Interferences
- Quality expectations
- Interpretation of contract
- Ability/willingness to meet obligations
- Change management policies

Contractor-Furnished Materials Factors

- Quantity variations
- Quality
- Price
- Availability



Identify, Quantify, and Mitigate...

Activity Impacted	Identification									
	Risk ID	Functional Assignment	Threat / Opportunity Events	Additional Description	Panelists Comments	Type of Risk				
c3	c4	c5	c7	c8	c9	c10				
29	DES1a	Design, Permitting, Reviews, etc.	Lack of project support by SAM, Corp, Commission RMM & Site Demo	Impacts all design activities. Cost impact based on \$350K per month.	High probability due to impending decision on project developer.	Cost & Schedule				
Quantitative Analysis										
33	DES1b	Prob.	Cost Impact (\$)			Schedule Impact (Months)				
		Distribution	V1	V2 (L)	V3 (H)	Distribution	V1	V2 (L)	V3 (H)	
		c11	c12	c13	c14	c15	c19	c20	c21	c22
		50%	Discrete		\$500,000	\$2,000,000	Uniform		6.0	12.0
11, 13	DES1c	Response		Mtgd Prob.	Mitigated Cost Impacts			Mitigated Schedule Impacts		
		Strategy	Response Actions including Advantages & Disadvantages		V1	V2 (L)	V3 (H)	V1	V2 (L)	V3 (H)
		c26	c27	c29	c30	c31	c32	c33	c34	c35
		50%	Transference	Business case disclosure; allocation of benefits and costs (Public Private Partnership). Memorandum. Goal is to develop a better partnership with the rental car companies and help project move forward	5%	\$0			1.0	
20%	Mitigation	Business case disclosure; allocation of benefits and costs (Public Private Partnership). Memorandum. Goal is to develop a better partnership with the rental car companies and help project move forward.	25%		\$500,000	\$2,000,000		6.0	12.0	
	Acceptance	Business case disclosure; allocation of benefits and costs (Public Private Partnership). Memorandum. Goal is to develop a better partnership with the rental car companies and help project move forward.	25%		\$500,000	\$2,000,000		6.0	12.0	

Risk Register:

Risk Identification

Activities Impacted	ID	Functional Assignment	Threat / Opportunity Events	Type of Risk	SMART Column	Additional Panelists' Comments
20	C1	Construction	Force Majeure	Schedule	Major delays from storms, earthquakes or other unavoidable natural disasters	
13	D1	Design or Scope Changes	Relative level of implementation of sustainable design features	Cost and Schedule	Achieving specific LEED Ratings for buildings, etc.	
12	D2	Design or Scope Changes	Using unproven technology to implement sustainable design features	Cost and Schedule		
12, 13, 14, 15	D3	Design or Scope Changes	Scope Creep	Cost and Schedule	Quantifying bridges of this type and how well they stay on schedule	
14	D4	Design or Scope Changes	Any Caltrans or Federal Highways requirements that might affect	Cost and		
All	E1	Economy/Market Conditions	Impact of adjacent planned transportation projects (i.e. POLA Southern California Intermodal Gateway Project, I-710 Widening Project)		Cost	
All Construction	E2	Economy/Market Conditions	Price volatility (e.g. steel prices)			
22	Ev1	Environmental	Potential environmental contamination in existing rail yard and North Harbor Area (asbestos, hydrocarbons, solvents, heavy metals, lead-based paint)	Cost and Schedule		
13	Ev2	Environmental	Any environmental impacts that would affect schedule	Schedule	If there are falcons on the bridge, any water wildlife that might be affected by operations	
All Construction	L1	Market or Labor	Risk of escalating labor costs	Cost		
All Construction	L2	Operations Work Windows	Any shipping changes required by the work, meaning if ships have to be delayed, or repositioned or if work on the bridge has to be delayed to allow particular ships to pass.	Schedule		
12	P1	Permitting & Stakeholder	Potential delays in environmental permitting schedule for programmatic EIR for Port Rail Program	Schedule		
12	P2	Permitting & Stakeholder	Impact to port clients in the areas where the bridge could affect their storage	Cost		Likely & impacts, maybe schedule
All Construction	Fo1	Political	Risk of shut down due to environmental protests and political fall out (similar to the Foothill South Toll road in Orange County), primarily schedule risk that leads to cost risk.	Cost and Schedule		
All	Fo2	Political	Risks of changes to environmental requirements due to pending or expected issues around the ports (note media discussions of higher cancer risk at and around the ports)	Cost and Schedule		
All Construction	Fr1	Procurement	Material procurement and management (owner procurements vs. contractor procurement)	Cost		
21-25	U1	Utilities	Any delays caused by utilities in the existing bridge or in the area of abutments, etc. that might need to be relocated	Schedule		

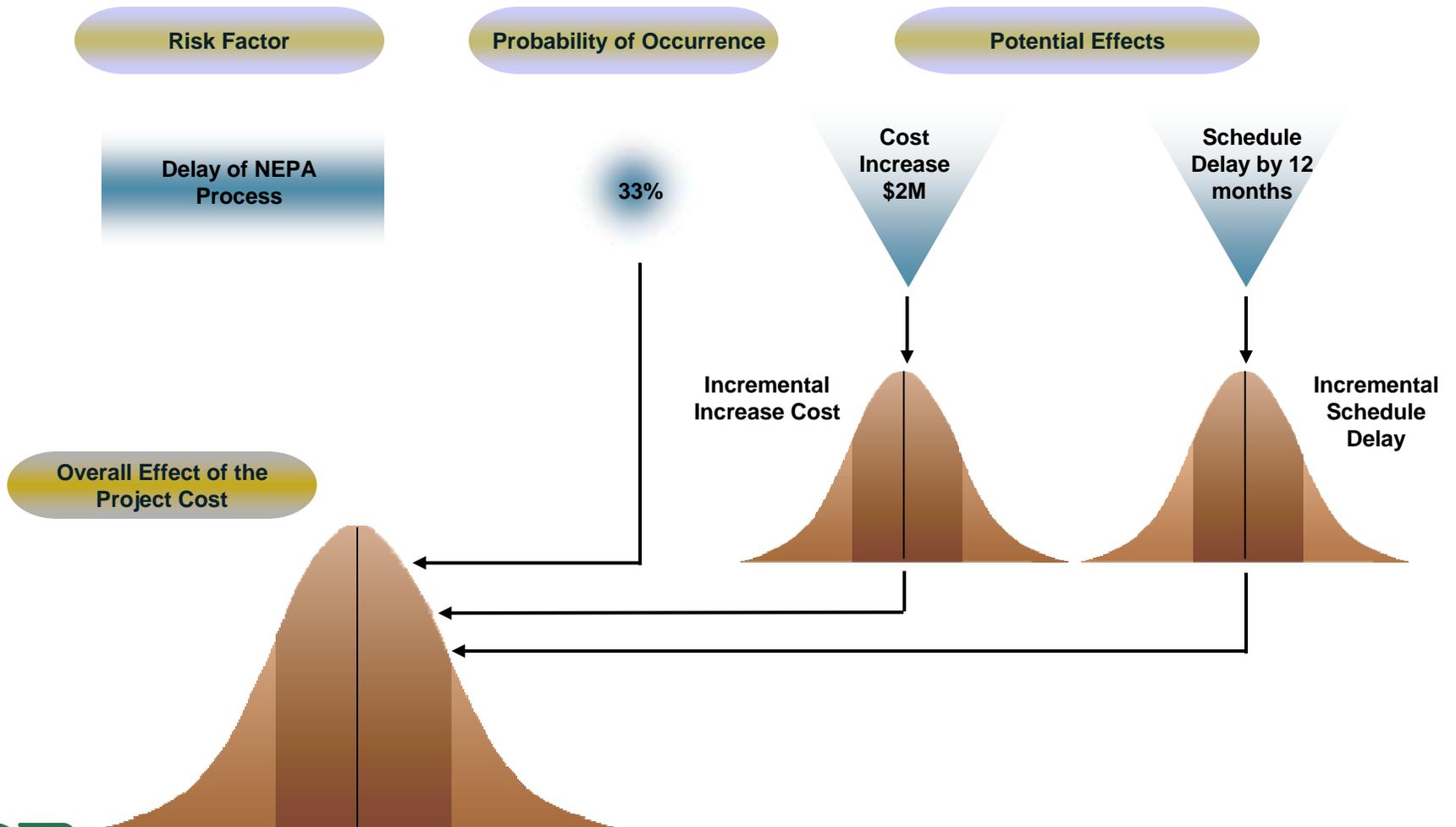
Risk Register: Risk Quantification

Prob.	NON MITIGATED							
	Cost Impact (\$)				Schedule Impacts (months)			
	Distribution	Median	Low	High	Distribution	Median	Low	High
10%		\$10,000,000	\$8,000,000	\$25,000,000	Trigen	5.0	2.0	10.0
15%	Trigen	\$1,000,000	\$250,000	\$10,000,000	Trigen	4.0	2.0	6.0
80%	Trigen	\$7,500,000	\$250,000	\$10,000,000	Trigen	2.0	1.0	3.0
50%	Trigen	\$15,000,000	\$10,000,000	\$20,000,000	Trigen	4.0	2.0	6.0
15%	Trigen	\$7,500,000	\$250,000	\$10,000,000	Trigen	2.0	1.0	3.0
0%	Trigen							
75%	Trigen	\$7,500,000	\$250,000	\$10,000,000				
10%	Trigen	\$1,000,000	\$250,000	\$10,000,000	Trigen	2.0	1.0	3.0
20%					Trigen	4.0	2.0	6.0
80%	Trigen	\$8,000,000	\$5,000,000	\$12,000,000				
25%					Trigen	2.0	1.0	3.0
15%					Trigen	4.0	2.0	6.0
0%	Trigen	\$7,500,000	\$250,000	\$10,000,000				
15%	Trigen	\$1,000,000	\$250,000	\$10,000,000	Trigen	2.0	1.0	3.0
30%	Trigen	\$5,000,000	\$2,000,000	\$20,000,000	Trigen	4.0	2.0	6.0
5%	Trigen	\$500,000	\$250,000	\$750,000				
40%					Trigen	4.0	2.0	6.0

Risk Register: Risk Mitigation

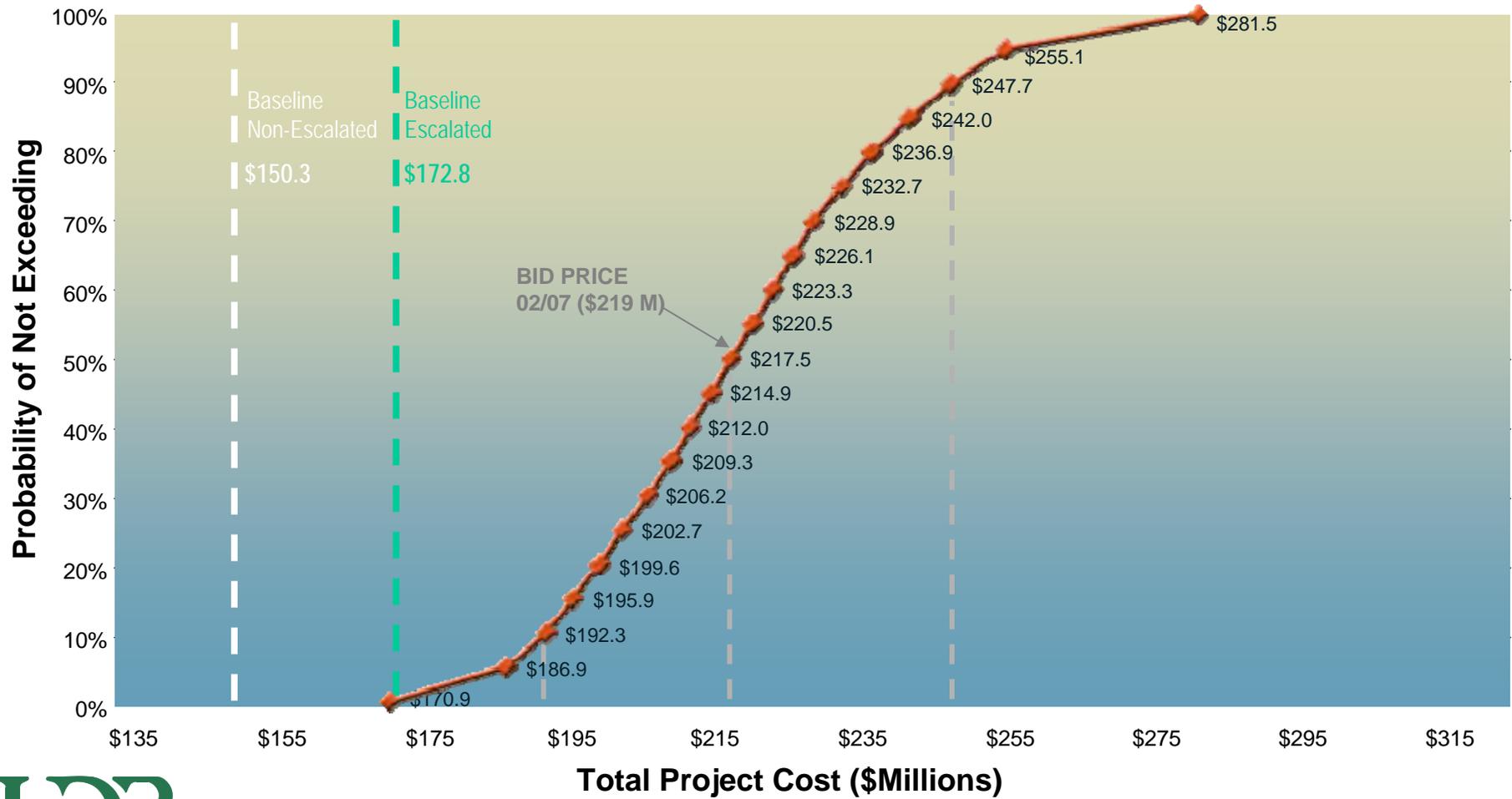
Response		Mitigated Prob.	Mitigated Cost Impacts			Mitigated Schedule Impacts		
Strategy	Response Actions Including Advantages and Disadvantages		v1	v2 (L)	v3 (H)	v1	v2 (L)	v3 (H)
Acceptance								
Mitigation	Adjust design to account for higher level of sustainable design features	10%	\$500,000	\$125,000	\$5,000,000	2.00	1.00	3.00
Acceptance								
Acceptance								
Mitigation	Communicate with Caltrans during planning phase	25%	\$3,750,000	\$125,000	\$5,000,000	1.00	0.50	1.50
Acceptance								
Mitigation	Purchase materials early	15%	\$3,750,000	\$125,000	\$5,000,000	0.00	0.00	0.00
Acceptance								
Acceptance								
Mitigation	Hire non-union labor	15%	\$4,000,000	\$2,500,000	\$6,000,000	0.00	0.00	0.00
Acceptance								
Acceptance								
Mitigation	Research other area storage and inform current occupants of their options	5%	\$3,750,000	\$125,000	\$5,000,000	0.00	0.00	0.00
Mitigation	Marketing	75%	\$5,000,000	\$125,000	\$5,000,000	1.00	0.50	1.50
Mitigation	Marketing	5%	\$2,500,000	\$1,000,000	\$10,000,000	2.00	1.00	3.00
Mitigation	Plan who is required to purchase materials	10%	\$250,000	\$125,000	\$375,000	0.00	0.00	0.00
Acceptance								

Event Risk Assessment Process



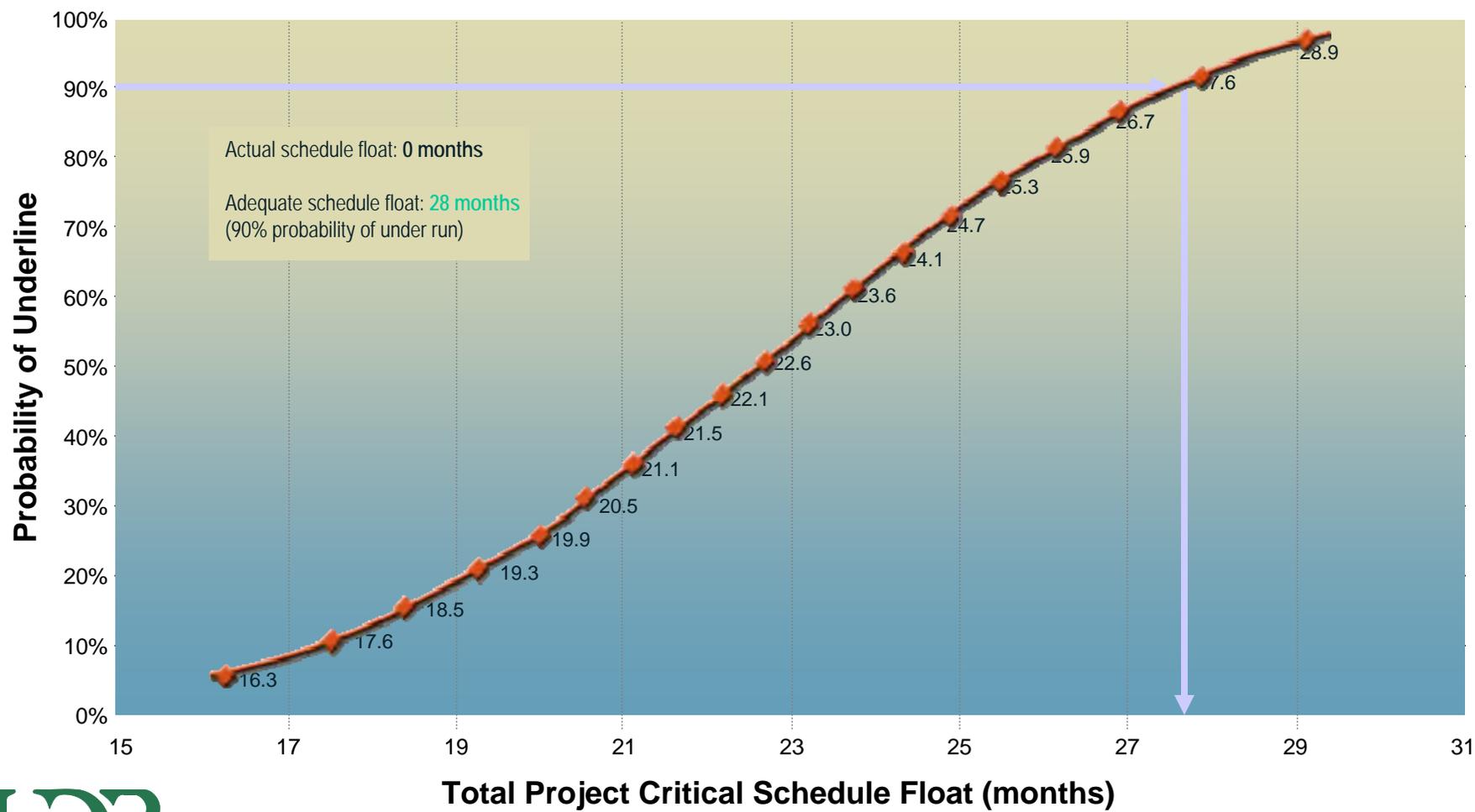
Risk Analysis to Better Forecast Costs (NYC Department of Environmental Protection)

DEP NYC Water Supply
RISK ANALYSIS OF TOTAL PROJECT COSTS



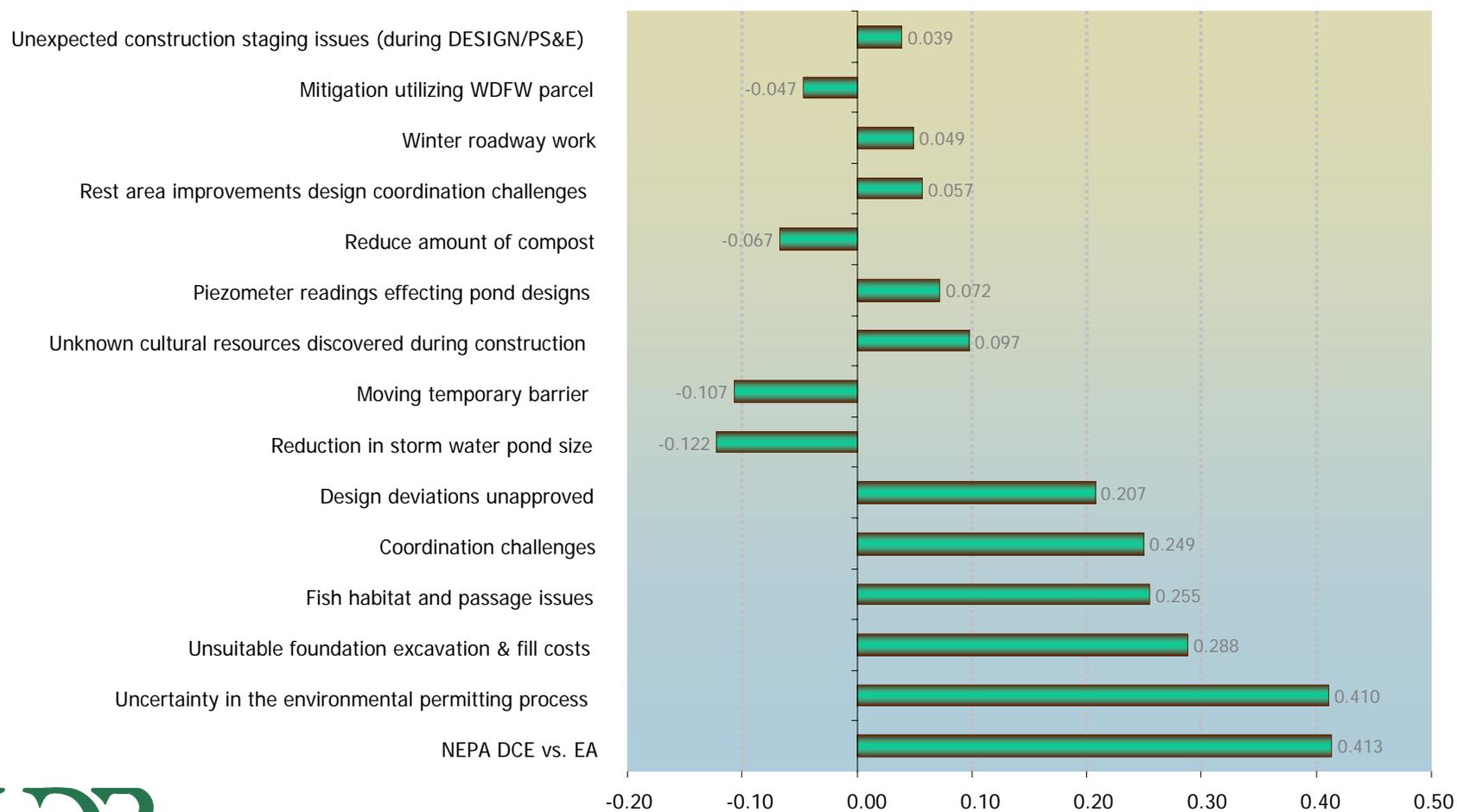
Risk Analysis to Assess Schedule

Project Schedule



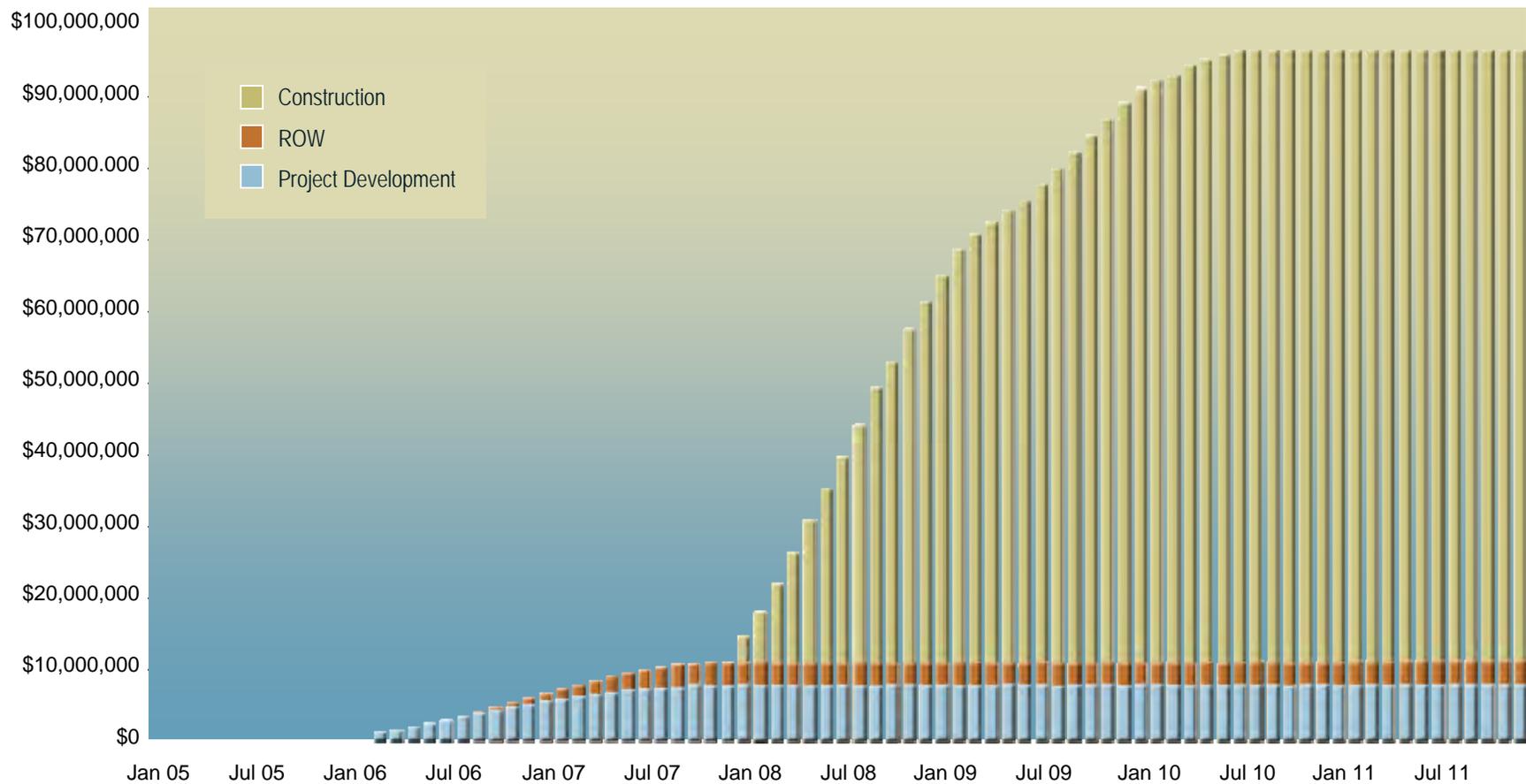
Risk Analysis to Identify Key Risks

Tornado Chart: Correlation with Total Project Cost

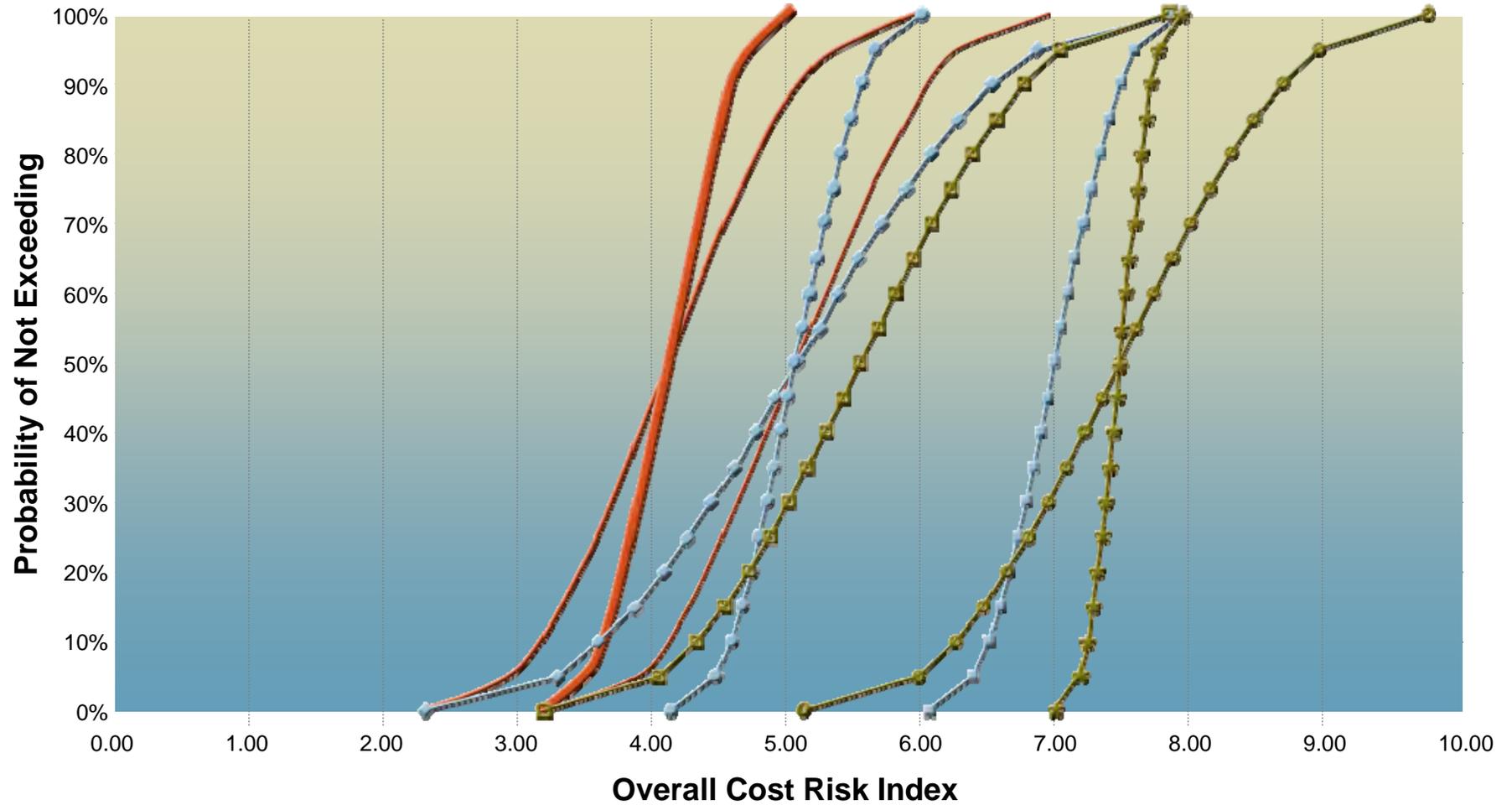


Risk Analysis to Assess Impact on Cash Flow

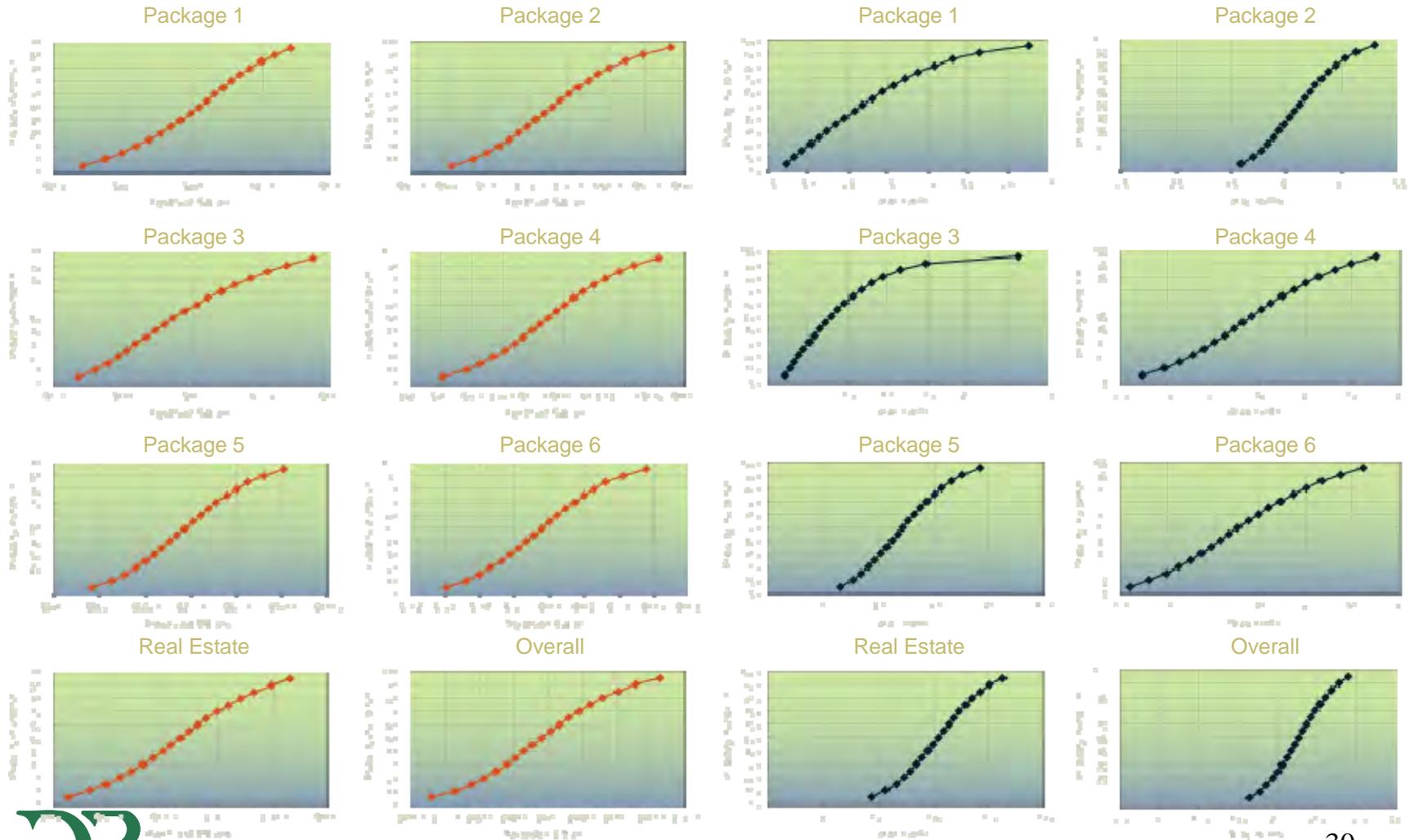
CUMULATIVE CASH FLOW – Expected Value



Risk Analysis to Assess Alternatives

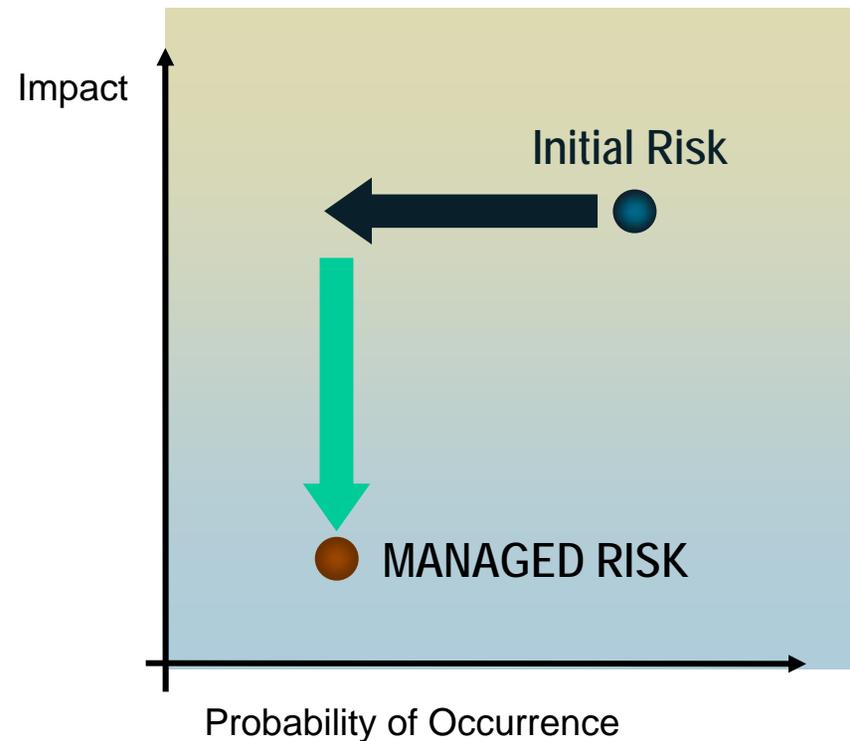


Analysis at the Task or Sub-task Level (NYC-Lower Manhattan Rebuild Program)



Summary of the Project Value Added by CEVP

- Risk Assessment goal:
 - Assess potential impact of various scope, event, and budget risks on the project's cost and schedule.
- Risk Management goal:
 - Identify opportunities and mitigation strategies to reduce both the likelihood of an event occurrence and the potential effect if it occurs.





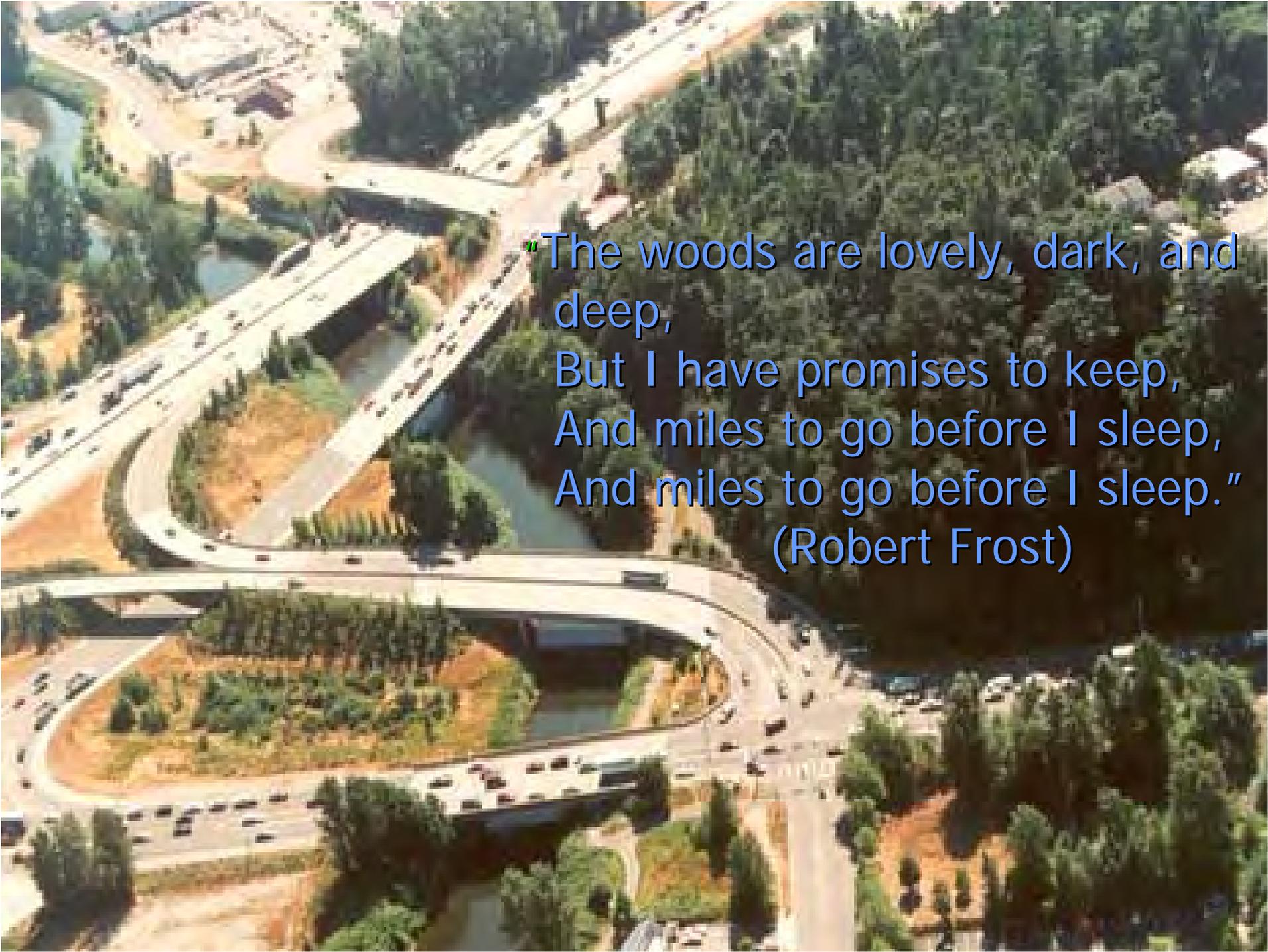
Questions

Biological Effects of Road Runoff: Applying Best Available Science in ESA Consultations

*Mitigation included

Michael Grady
NOAA Fisheries-Northwest
16 September 2008



An aerial photograph showing a complex highway interchange with multiple overpasses and ramps. A river flows through the center of the interchange. The surrounding area is a mix of dense green forest and residential or commercial buildings. The text is overlaid on the right side of the image.

"The woods are lovely, dark, and deep,
But I have promises to keep,
And miles to go before I sleep,
And miles to go before I sleep."
(Robert Frost)

How do we keep our promises?

- Add 1 million people in 20 years
- Increase demand for rural lands
- Increase traffic volume by 30%
- Budget needs of over \$20 Billion
- Declining fish and marine mammal species
- Preserve and enhance our quality of life



1970



1996



Photographed in 1941



Photographed in 2004



Sitting in a 3.8-metre sea
kayak and watching
a four-metre great
white approach you is
a fairly tense experience



Northwest Fisheries Science Center-Montlake

NOAA's Statutory Guidelines

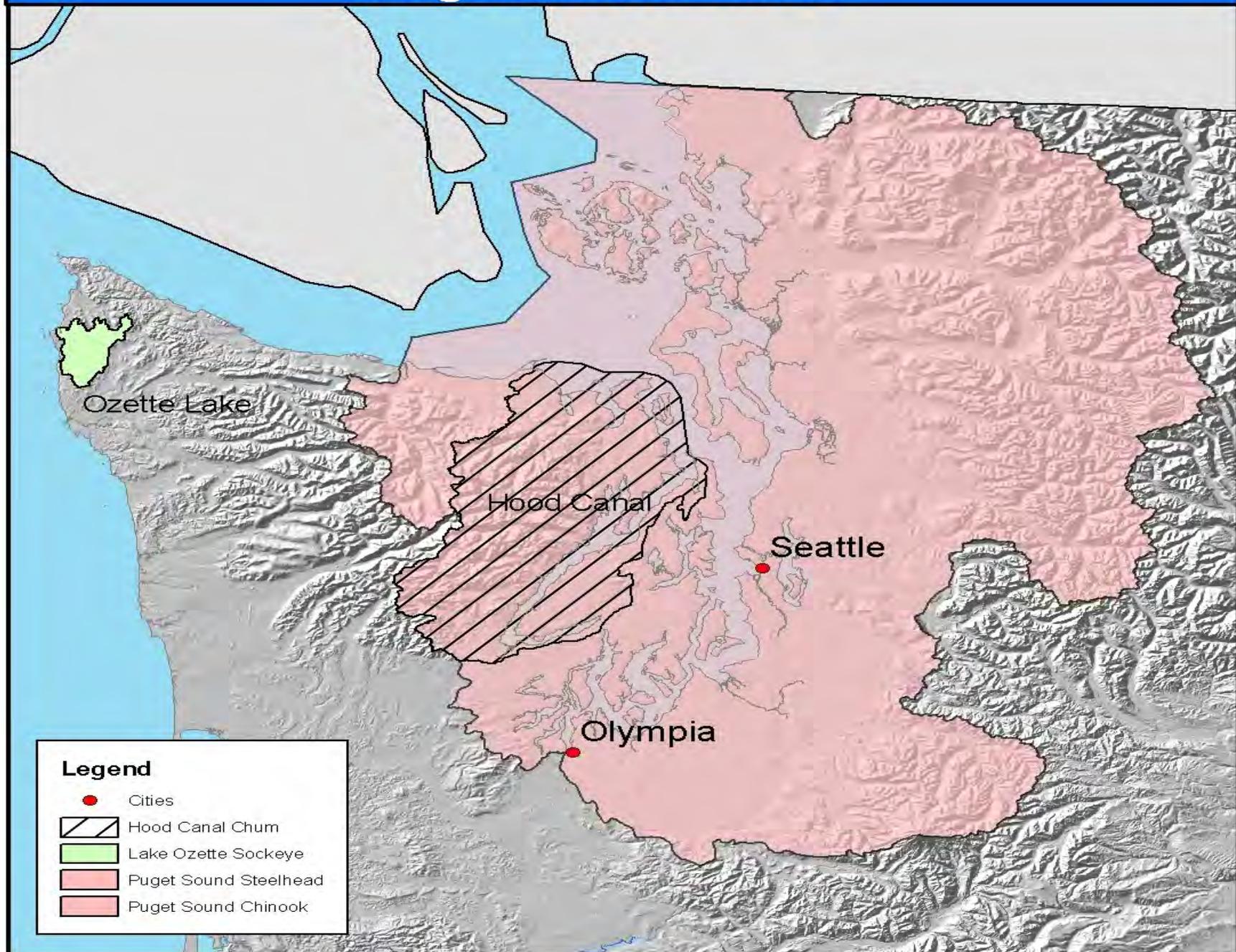
Endangered Species Act

- Listing
- Recovery
- Avoid jeopardy
- Avoid adverse modification to critical habitat

Tribal Treaty-Trust Responsibilities

Magnuson-Stevens Fishery Conservation Act

Puget Sound ESUs



Recovery Plans

1. Developed at the local level
2. Based on science
3. Realistic roadmaps to recovery



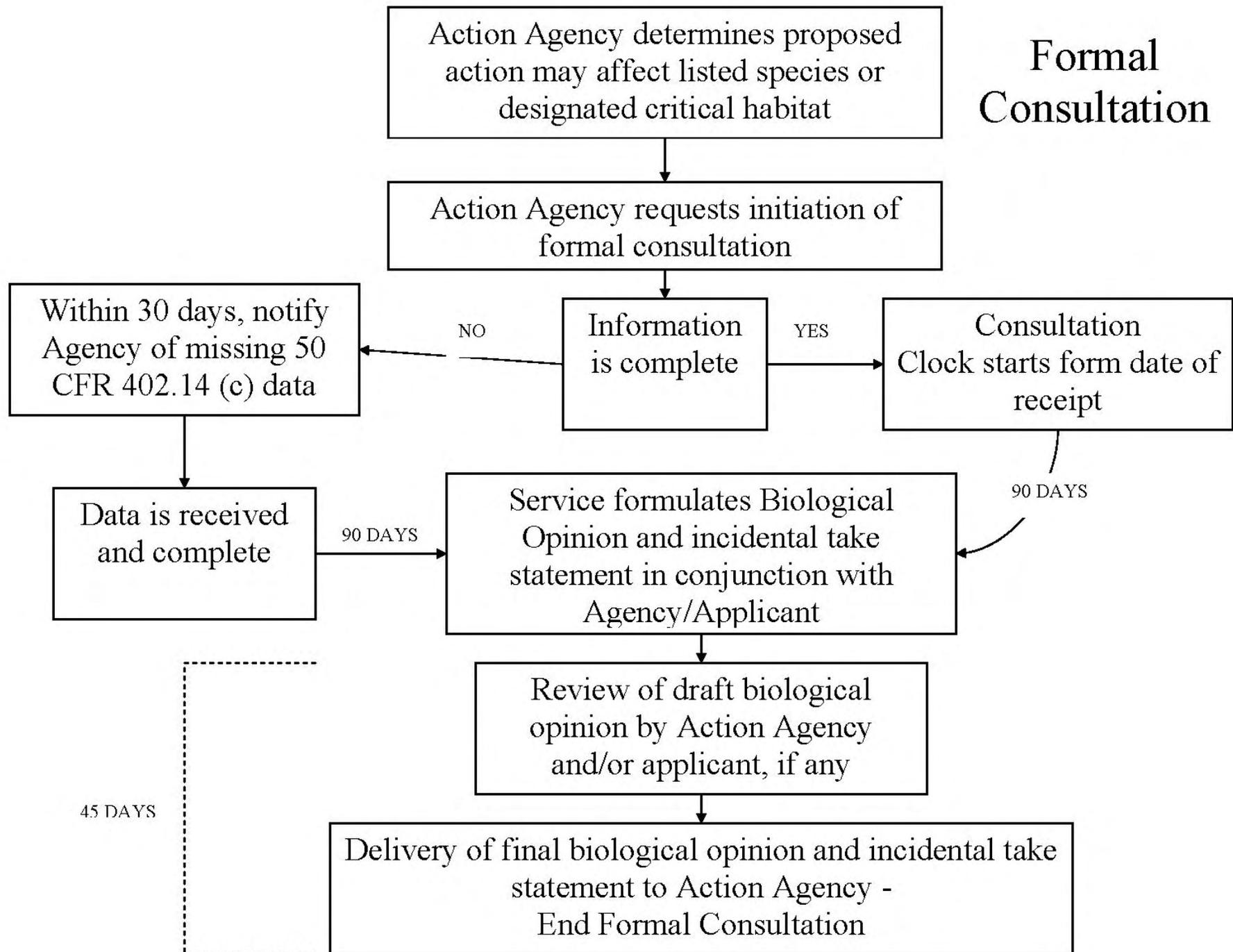
How recovery plans will be used:

- **Improved context for ESA decisions:**
 - Consistent approach to all Hs in consultation
 - Expedite actions that implement recovery plans
- **Setting priorities**
 - Prioritize, sequence & coordinate actions in all H's to get to recovery
 - Match funding to priorities
 - Use plans as a guide in processing permits
 - Improve cost effectiveness and likelihood of success

Section 7

- Federal agencies must ensure that any federal actions they authorize, fund, carry out are not likely to:
 - Jeopardize the continued existence of the species
 - Destroy or adversely modify designated critical habitat
- Linked to Recovery Plans (TRT data)

Formal Consultation



Debunking Conventional Wisdom

- Myth #1: Biological effects to listed species aren't measurable or significant
- Myth #2: Existing local (GMA), state (NPDES), and federal (CWA) laws are protective of listed species
- Myth #3: Stormwater treatment to biological thresholds is too costly

Myth #1: Biological effects to listed species aren't measurable or significant

- Science Center Research
- Killer Whale cumulative impacts



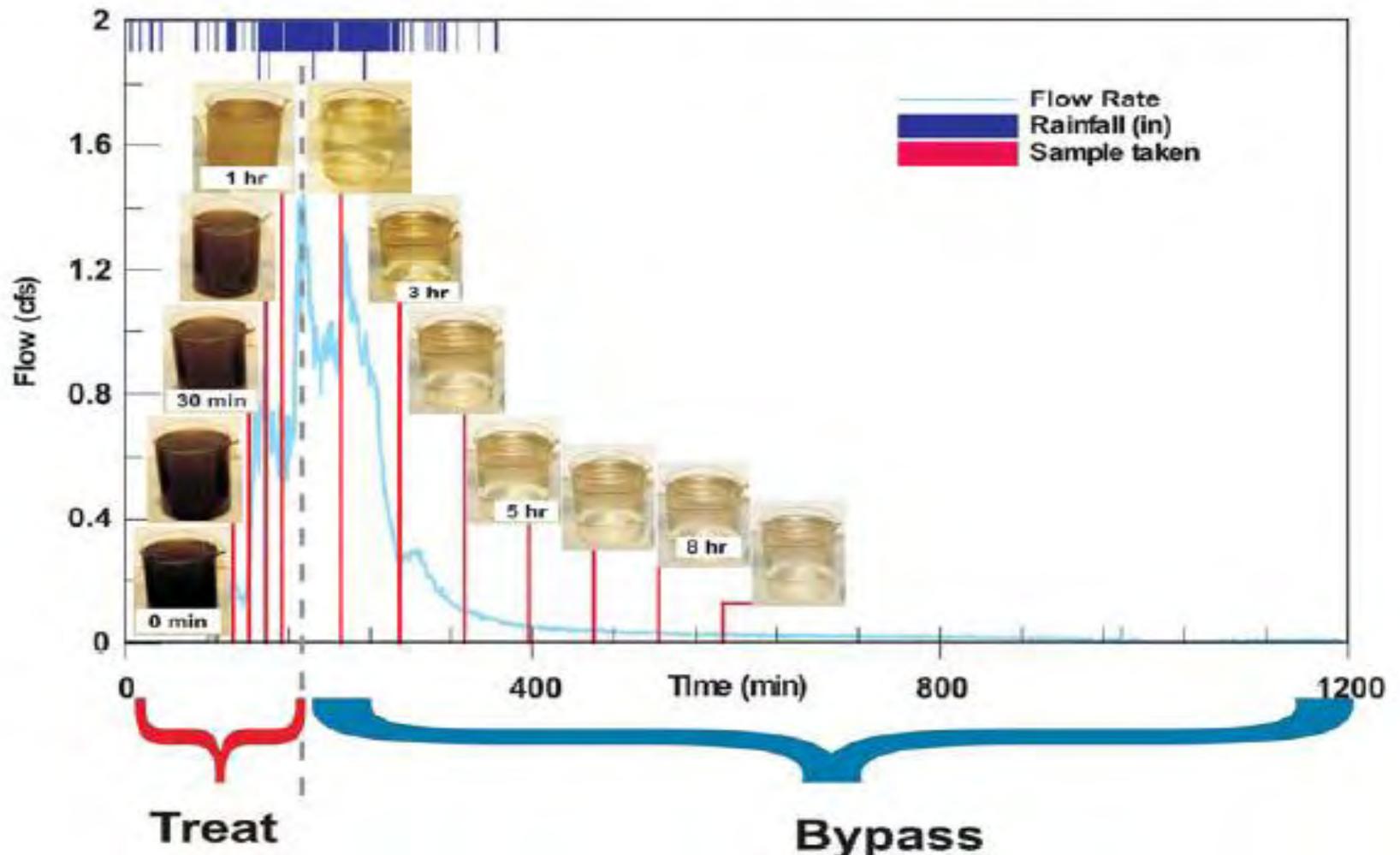
NOAA



NOAA

Road Runoff

First Flush Phenomenon Characterization

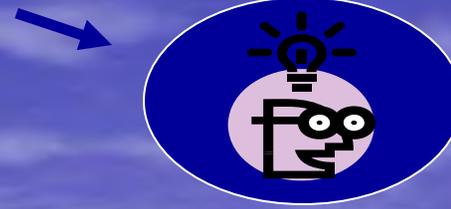


A Sensory System at the Interface between Urban Stormwater Runoff and Salmon Survival

JASON F. SANDAHL,[†]
DAVID H. BALDWIN,[‡]
JEFFREY J. JENKINS,[†] AND
NATHANIEL L. SCHOLZ^{*.‡}

Oregon State University, Department of Molecular and Environmental Toxicology, 333 Weniger Hall, Corvallis, Oregon 97331, and NOAA Fisheries, Northwest Fisheries Science Center, Ecotoxicology and Environmental Fish Health Program, 2725 Montlake Boulevard East, Seattle, Washington 98112

Motor vehicles are a major source of toxic contaminants such as copper, a metal that originates from vehicle exhaust and brake pad wear. Copper and other pollutants are deposited on roads and other impervious surfaces and then transported to aquatic habitats via stormwater runoff. In the western United States, exposure to non-point source pollutants such as copper is an emerging concern for many populations of threatened and endangered Pacific salmon (*Oncorhynchus* spp.) that spawn and rear in coastal watersheds and estuaries. To address this concern, we used conventional neurophysiological recordings to investigate the impact of ecologically relevant copper exposures (0–20 $\mu\text{g/L}$ for 3 h) on the olfactory system of juvenile coho salmon (*O. kisutch*). These recordings were combined with computer-assisted video analyses of behavior to evaluate the sensitivity and responsiveness of copper-exposed coho to a chemical predation cue (conspecific alarm pheromone). The sensory physiology and predator avoidance behaviors of juvenile coho were both significantly impaired by copper at concentrations as low as 2 $\mu\text{g/L}$. Therefore, copper-containing stormwater runoff from urban landscapes has the potential to cause chemosensory deprivation and increased predation mortality in exposed salmon.



Best Available Science

Sandahl JF, Baldwin DH, Jenkins JJ, Scholz NL. 2007. A sensory system at the interface between urban stormwater runoff and salmon survival. *Environmental Science and Technology* 41:2998-3004.

Salmonid Sensory System

Olfaction (smell)



Lateral Line (senses vibrational cues)

Behavioral Significance

imprint, locate food,
detect *predators*,
navigate migratory
routes, participate in
reproduction

shoaling, rheotaxis,
avoid predators

Pre-spawn Mortality



Sources of Copper



Myth #2: Existing local (GMA), state (NPDES), and federal (CWA) laws are protective of listed species

- **GMA**: Critical Area Ordinances and Development Regulations
- **NPDES**: water quality standards
- **Clean Water Act**: protection of beneficial uses-aquatic species

Land Use Affects Water Quality and Quantity





Growth Management

Growth Management Services
Overview of the Growth Management Act



Description

In 1990 the Legislature found that "uncoordinated and unplanned growth, together with a lack of common goals... pose a threat to the environment, sustainable economic development, and the health, safety, and high quality of life enjoyed by residents of this state. It is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning." (RCW 36.70A.010) This is the foundation for the Growth Management Act (GMA).

Requirements for All Counties

The GMA requires all cities and counties in the state to:

- Designate and protect wetlands, frequently flooded areas and other critical areas.
- Designate farm lands, forest lands, and other natural resource areas.
- Determine that new residential subdivisions have appropriate provisions for public services and facilities.

Requirements for Fully Planning Counties

In addition, 29 counties and the 218 cities within them are to plan for growth based on certain requirements. These jurisdictions represent the fastest-growing counties and the cities within them, as well as other counties, plus the cities inside their boundaries that chose to plan under the GMA.

Here are the basic steps that local governments fully planning under the GMA are to follow:

- Agree on county-wide planning policies to guide regional issues, for example, public facilities and affordable housing.
- Plan for urban growth within the urban growth areas that are adopted by each county, based on forecasts provided by the state Office of Financial Management (OFM).
- Adopt comprehensive plans with chapters that fit together.
- Identify lands useful for public purposes and essential public facilities, such as airports, educational facilities, and utility and transportation corridors.



The Painful Cost of Booming Growth

(Seattle Times May 11, 2008)



Photo courtesy of Steve Ringman-Seattle Times May 11, 2008



EPA's Review of Washington's Water Quality Criteria: An Evaluation of Whether Washington's Criteria Proposal Protects Stream Health and Designated Uses (October, 2003).

James R. Karr, Ph.D. (University of Washington)
Richard R. Horner, Ph.D. (University of Washington)
Charles R. Horner, Esq.

EXECUTIVE SUMMARY

Threatened Puget Sound chinook salmon and other imperiled anadromous and freshwater species continue to decline in Washington State due to the effects of diverse human actions. Recently, the Washington State Department of Ecology ("DOE") submitted revised water quality standards to the Environmental Protection Agency ("EPA") for federal approval. DOE's proposed criteria include traditional parameters such as dissolved oxygen, temperature, turbidity, and toxics. This juncture provides an opportunity to reflect on the adequacy of traditional water quality criteria to protect the designated uses of Washington's rivers and streams, which include salmon, trout and char spawning, rearing and migration, and meet the Clean Water Act's objectives. The National Wildlife Federation commissioned this review in order to evaluate the adequacy of Washington's water quality standards to meet these important goals.

Dissolved Copper Thresholds

(in parts per billion-ppb)

- Biological Effects to Salmonids: 2.0 ppb
- State Water Quality Standards: 4.8 ppb
(WSDOT* and Phase I and II NPDES)
- Industrial NPDES Permit: 20.0 ppb
- Boatyard NPDES permit: ??
- Aquatic Pesticides NPDES: 25.0 ppb

* *WSDOT Guidance uses 2.0 ppb for Sec 7 only.*

Myth #3: Stormwater treatment to biological thresholds is too costly

- High Efficiency Sweeping
- Bio-filtration systems
- Compost embankments
- Street-scape designs
- Low Impact Development
- Clean transportation options (DSM, ...)

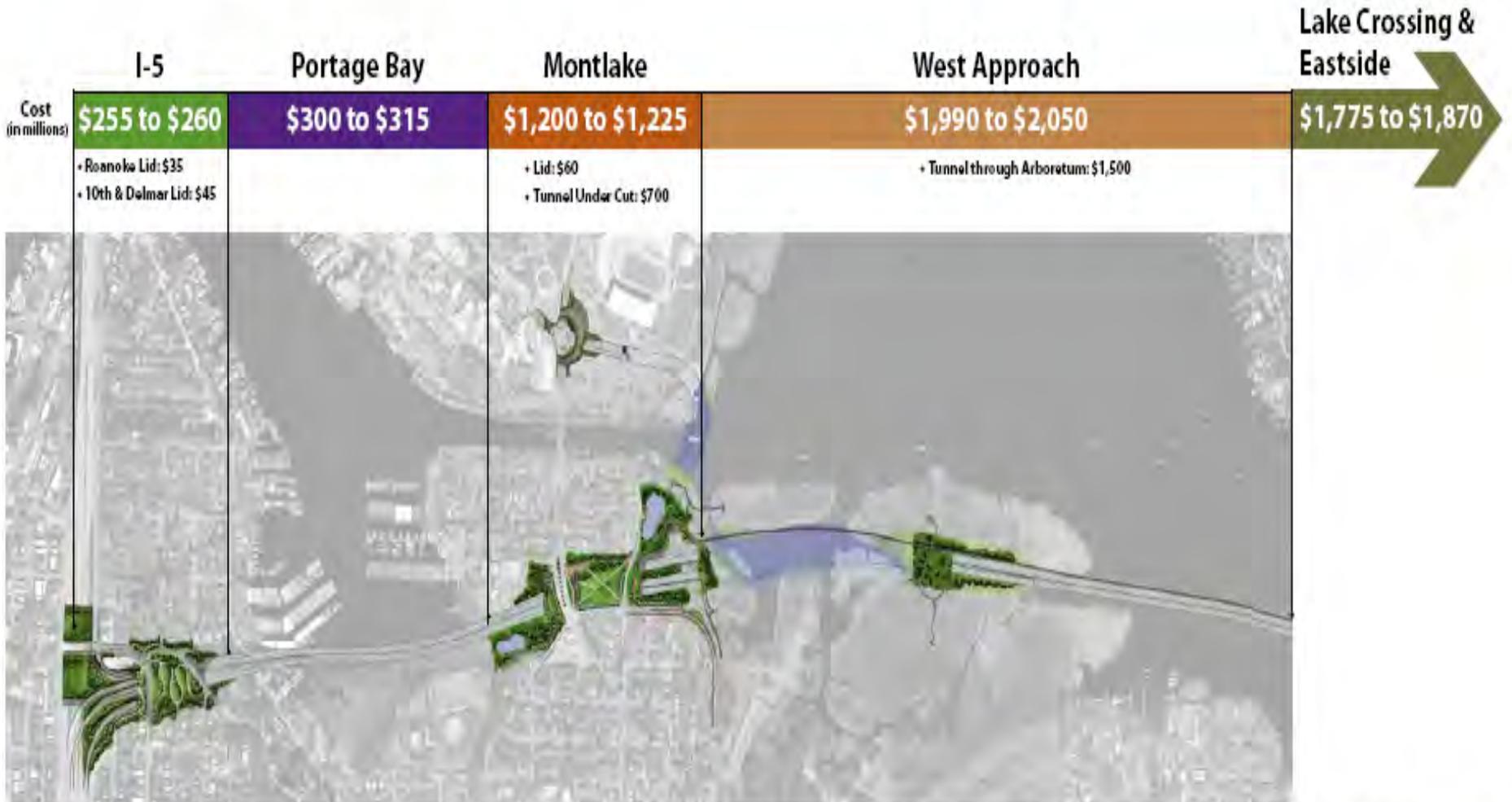
Looking for Treatment Solutions?



SR 520 Bridge Replacement and HOV Project



PLANNING LEVEL COST OPINION FOR COMPARISON PURPOSES



MEDIATION PROPOSAL K1

* Mitigation not determined.

Total Cost (in millions)

\$5,520 to \$5,720



High-efficiency Sweeping

(photo courtesy of Seattle DOT)



05/09/2006

Bio-filtration embankments

(photo courtesy of SDOT)





Bio-retention Swales

(photo courtesy of SDOT)



Pervious v. Impervious



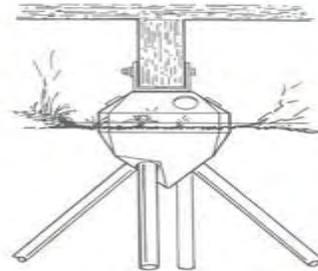
Population growth





LOW IMPACT DEVELOPMENT

TECHNICAL GUIDANCE MANUAL FOR PUGET SOUND



JANUARY 2005







Recommendations for the Future

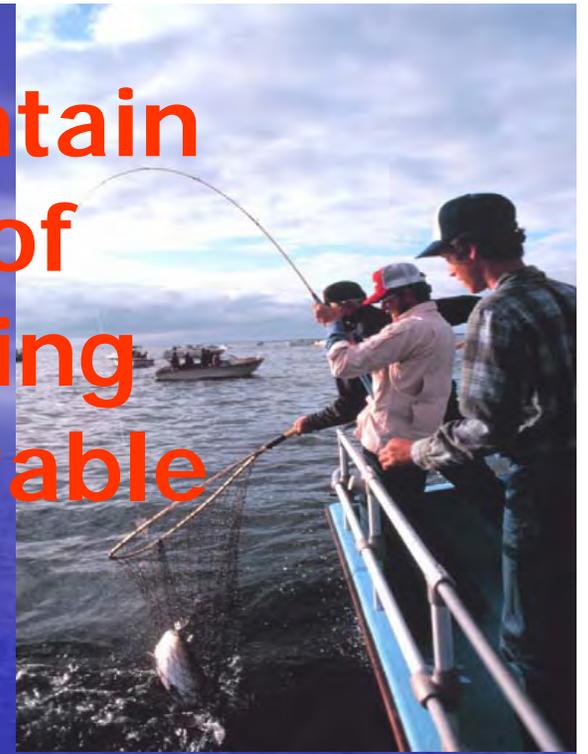
- Biologically-based permits
- Address recovery plan limiting factors
- Watershed-scale mitigation
- Demand-side management (people and goods)
- Source control (brakes, oil-dependence)
- Climate change causal factors (carbon footprint)



Impacts from Global Warming



**Recover and maintain
an abundance of
naturally spawning
salmon at harvestable
levels**



Useful Websites

United States Fish and Wildlife Service

<http://endangered.fws.gov/>

National Oceanic and Atmospheric
Administration

<http://www.nwr.noaa.gov>

Michael.Grady@noaa.gov

"Perfection of means and confusion of ends seems to characterize our age." (Einstein)



Any Questions?



Project Impact Plan

- Outline
- Schedule
- Question and answer

Acoustics Expert Review Panel Report Out

Next Steps