

# **SR 520 Bridge Replacement and HOV Program**

## **West side cost update information**

January 2015

# 2014 CEVP background

## Key Points about CEVP Process

- CEVP stands for the Cost Estimate Validation Process, and is WSDOT's standard process for estimating the cost of projects over \$100 million.
- CEVP forecasts:
  - How much will the project cost?
  - How long will the project take?
  - What are the project risks?
- Every CEVP is an estimate at a **single point in time** based on informed assumptions and expert validation of cost estimates and risks.
- The CEVP process produces a **range of anticipated costs**, depending on various potential risks, not a single absolute number.
- WSDOT standard policy is to budget at the **60% probability** cost number.

# 2014 CEVP results compared to 2012

## 2012 cost estimate

- In 2012, we estimated the Rest of the West to cost \$1.4 B based on 60% probability to complete the project at or under this cost; assumed funding available in 2013 to complete design and start construction

## 2014 legislative direction (ESSB 6001)

- WSDOT received legislative direction to refine the design with the city of Seattle
- A west side design report was published online in early 2015 detailing the refinements made in 2014.

## 2014 cost estimate (per ESSB 6001)

- With the 2014 CEVP cost estimates, the overall SR 520 program cost estimate is \$4.47 B—remaining below the \$4.65 B cap set by the legislature in 2009.
- The west side cost estimate is now \$1.57 B, and the increase from the previous CEVP estimate is primarily driven by two key factors:
  - Escalation costs from continued funding need for the corridor (2013-2015)
  - Risks associated with delivering the remaining scope of work

# 2014 CEVP results (continued)

## Cost estimate assumptions

- ✓ Assumes that funding will be in place to start final design in July 2015 and construction as early as July 2017. Further delays will increase costs beyond escalation to address new environmental regulations and permits.
- ✓ Cost estimates based on latest conceptual design. WSDOT continues to evaluate the cost of the SR 520 Program as designs advance and construction activities take place.
- ✓ Cost estimates based on project as outlined in the Final EIS, and ongoing design refinements in coordination with the city of Seattle and other key stakeholders.
- ✓ Assumes a design-bid-build delivery method for all elements of the Rest of the West. Depending on the timing of available funding, the design-build construction delivery method could also be considered.

## Replacing vulnerable structures

- Portage Bay Bridge and existing West Approach Bridge will both be replaced as we complete improvements between I-5 and Lake Washington.

# SR 520 Costs and funding per 2014 CEVP

<b>SR 520 program cost estimate</b> <i>2009 legislative budget cap: \$4.65 billion</i>		<b>\$4.47 B</b>
<b>Funding received to date</b> <i>Based on 2014 Legislative authorization</i>		<b>\$2.9 B</b>
State funding (Nickel and TPA)	\$0.59 B*	
Federal funding	\$0.2 B	
SR 520 Account (tolling and future federal funds)	\$1.65 B	
TIFIA loan	\$0.30 B	
Deferred sales tax	\$0.16 B	
<b>2014 Unfunded need for Rest of the West</b> <i>Based on 2014 CEVP cost estimate</i>		<b>\$1.57 B</b>

**Updated: January 2015**

\* Includes \$10 M authorized by ESSB 6001 in 2014.