

PROJECT OVERVIEW

Department:	SPU
Project ID:	MC-SU-C3614
Project Name:	Ship Canal Water Quality Project
Current Project Stage:	Stage 5: Construction

Project Summary

The Ship Canal Water Quality Project (SCWQP) is a joint project between SPU and King County Department of Natural Resources and Parks (DNRP) that will provide offline storage with a 2.7 mile long, 29 million gallon, deep storage tunnel constructed between the Ballard and Wallingford Combined Sewer Overflow (CSO) areas, on the north side of the Ship Canal. Both agencies are under Federal Consent Decrees to bring seven CSO outfalls (5 SPU and 2 DNRP) into compliance by the end of 2025. There are five major sub-projects that range between design and construction stages.



Project Risk Profile and Mitigation Plan	Risk Status:	2018			
		Q1	Q2	Q3	Q4
		NA	●	NA	●

There are no substantial risk changes in the last report in 2Q18. The project’s overall risk indicator is yellow as the risk assessment includes several items with the potential to alter scope, schedule, and budget, including:

- 1) Potential for bids to come in higher than the Engineer’s Estimate at the Storage Tunnel construction bid opening in May or a bid protest after the bids are opened, 2) Coordination of construction with Burke-Gilman Trail Missing Link and utility relocations by SCL and PSE, 3) unknown underground conditions creating delays and claims such as utilities, contamination, and obstructions.

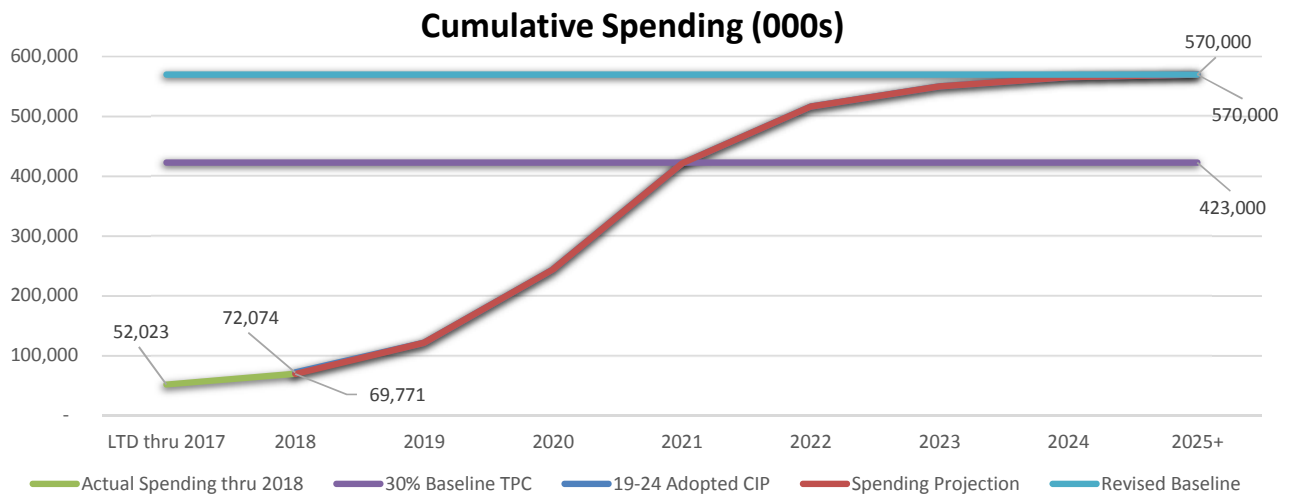
The team has taken measures to reduce the probability of bids coming in higher than expected and a bid protest, including extensive outreach to the contracting community for two years, review of the plans and specifications and cost estimate by outside experts, coordinating best practices and lessons learned with our partners at King County and sending out the draft contract documents for an Industry Review in 2018. In addition, the team is working closely with stakeholders such as SDOT, SCL, and PSE to coordinate work, obtaining independent data and input on steel price trends and forecasts, and reviewing the current design documents with our new construction management consultant to address risks and reduce risk of contractor claims.

BUDGET SUMMARY

(000s):	LTD thru		2019	2020	2021	2022	2023+	Total
	2017	2018 Revised						
30% Baseline TPC								423,000
Revised Baseline TPC								570,000
19-24 Adopted CIP	52,023	20,051	49,888	122,369	176,636	95,690	53,343	570,000
Actual Spending thru 2018	52,023	17,748						69,771
Spending Projection	52,023	17,748	52,191	122,369	176,636	95,690	53,343	570,000

Projection Variance (Over/(Under))

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Variance Explanation - Adopted CIP Budget to Projection (if applicable)

Estimated project costs have increased by about \$30 million since the Adopted Budget in the Fall of 2017. In May 2018, the SCWQP team completed a comprehensive 12-month long cost review and reconciliation process which was performed by a national cost estimating experts to evaluate the overall program cost. The work included evaluating the technical feasibility of the project, the project schedule, risks, uncertainty and cash flow. The Total Project Cost Projection is based on this work and is currently \$570 million with a 70% confidence which means that there is a 70% chance costs will be at or below the estimated cost and a 30% chance the estimated cost will be exceeded. The majority of this cost increase was due to regional construction market conditions and a better understanding of the uncertainties in the project.

Note: The Total Project Cost Projection has not changed, but the confidence has increased from 65% to 70% since May 2018, due to the elimination of some project scope and including the savings as project reserves. The 2019 Spending Plan is currenting being updated and the 2019 Q1 report will reflect the revised plan.

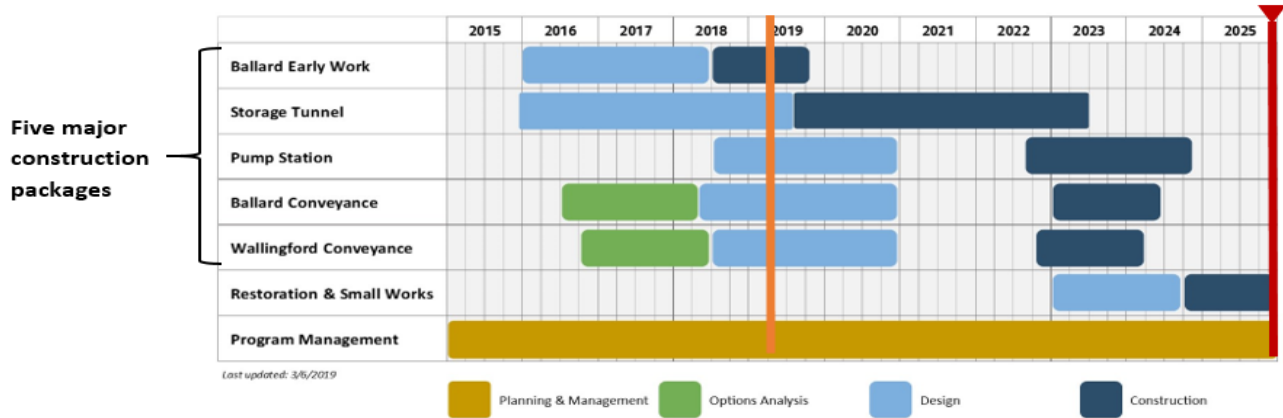
PROJECT SCHEDULE

Start: 3/1/2014

End: 12/31/2026 (Projected)



Ship Canal Water Quality Project



Explain Schedule Variance

The SCWQP is a program comprised of 5 individual construction projects which are shown above. The City's consent decree requires that the overall SCWQP facility is operational by 12/31/2025 which is the red line above. The project is projecting to meet this deadline in 11/2024 almost 14 months before the deadline. The first Project - Ballard Early Work, is currently in construction and the Storage Tunnel project will enter construction in 2019. The tunnel construction contract is scheduled to be awarded in June 2019 with physical construction from November 2019 through June 2023. Physical construction of the Pump Station construction is scheduled for October 2022 through August 2024.

SCWQP scope includes 1 year of facility monitoring & optimization following official declaration of construction completion, which will occur at the regulatory deadline of 12/31/2025.