

SUMMARY MINUTES
DULLES CORRIDOR COMMITTEE
MEETING OF DECEMBER 10, 2014

Mr. Griffin called the December 10 Dulles Corridor Committee Meeting to order at 11:15 a.m. A quorum was present during the Meeting: Mr. Gates, Ms. Lang and Mr. Williams. Mr. Caputo, Mr. Chapman, Mr. Curto, Ms. Hanley, Mr. Kennedy, Ms. Merrick, Mr. Session and Ms. Wells were also present. Mr. McDermott joined the Meeting by phone.

Dulles Corridor Metrorail Project Monthly Cost Summary for Phases 1 and 2 (As of October 31, 2014). Mr. Stark reported that October expenditures for Phase 1 totaled \$4.3 million. As of October 31, Project expenditures totaled \$2.722 billion for Phase 1. The forecast for completion for the Phase 1 Project remained at \$2.905 billion. Mr. Stark reported that contingency utilized through October totaled \$448.3 million; \$14 million remained. Mr. Stark reviewed how the contingency funds had been used in October, as well as the status of Phase 1 activities.

Mr. Stark reported that \$21.7 million had been spent in October for Phase 2. As of October 31, Project expenditures totaled \$317.8 million. He also reported that the total budget and forecast completion totaled \$2.778 billion. Mr. Stark noted that the amount of contingency utilized through October 2014 totaled \$10.7 million and he reviewed the items where these funds had been used. Mr. Stark reported that \$540.8 million remained for contingency utilization in Phase 2. With reference to the Virginia Stormwater Management Program Part II-B, Mr. Starks reported that approximately \$3 million had been used to begin the construction while Authority staff negotiated the entire change.

Ms. Hanley referred to the super-elevation speed and track gauge design increases relative to the Washington Metropolitan Area Transit Authority's (WMATA's) decision to reduce its maximum speed for Phase 2 Metrorail trains from 75 miles per hour (mph) to 65 mph and inquired about the speed designed for Phase 1. Mr. Stark stated that the speed for Phase 1 had been set at 75 mph but that WMATA had decided that the speed on the entire system would eventually be decreased from 75 mph to 65 mph. WMATA had instructed the Authority to make the change to reduce the speed on Phase 2. Mr. Stark explained that the \$200,000 associated with the change had resulted from the cost to redesign the drawings; the construction and the final design of the signal system had not yet occurred. Staff confirmed that the reduction in speed had been a WMATA-directed change and there were no cost savings

associated with the decreased speed. Although Directors and staff agreed that the decreased speed was part of WMATA's ongoing safety review, Ms. Hanley and Mr. Griffin questioned the rationale on why the system required a change in design rather than directing the trains to operate at a decreased speed. Ms. Hanley inquired about the process used with WMATA in negotiating similar issues. Ginger Evans, Vice President for Engineering, stated that an extensive dialog occurred. She noted that the Authority normally deferred to WMATA for compliance issues with regard to how it would operate the trains. Ms. Evans reported that Authority staff "pushed back" on many issues and that a substantial amount of changes are debated, reviewed and independently assessed. Ms. Hanley and Mr. Griffin affirmed that the decreased speed for Phase 2 is an issue on which staff should push back. Mr. Stark confirmed that the original Metrorail system had been designed for 75 mph and that WMATA had no plans to retrofit it and make it 65 mph; rather, operators were being informed to drive more slowly. Mr. Griffin stated that WMATA is being inconsistent with its request and that the system should remain at 75 mph as it had been originally designed.

Mr. Caputo inquired how the amount of plan contingency funds was calculated. Ms. Evans stated that the process used to calculate contingency funds for the rail-related projects is slightly different than that used for aviation-related projects. She explained that there is normally a 30 percent contingency associated with projects when a lesser amount of design had been completed at the planning stage. Once the design becomes more detailed, the actual issues associated with a project becomes better known and more detailed plans are available which results in a better estimate, the contingency is normally reduced. Ms. Evans stated that the industry standard for a contingency fund associated with civil work was 10 percent when a project is put out for bid. In the case of a complex project or a substantial amount of uncertainties, a higher contingency would be established. Ms. Evans reported that there is a formal risk workshop and risk calculations were performed to determine the contingencies for rail-related projects.

Mr. Caputo referred to the contingency fund for the Phase 2 Project and inquired whether a certain percentage was determined when a contract award was made. Ms. Evans responded that the contingency fund had been established for all of Phase 2, which consists of three different contracts, as well as several miscellaneous contracts that the Authority had with other entities that provide services. She explained that it was her understanding that staff had compiled a comprehensive risk register and had also taken into account the administrative processes and the number of partners involved. Since the Federal Transit Administration

(FTA) considered Phase 2 a highly-complex project, a higher level of contingency had been established. Mr. Caputo referenced the self-fulfilling prophecy and further inquired whether the plan was to exhaust the entire contingency fund. Mr. Potter responded negatively. He noted that the contingency fund, which had been established by FTA, was more than \$100 million higher than the Authority had initially requested.

Mr. Stark reviewed the key milestones for Phase 2, as well as the activities for Packages A, B and S.

Mr. Session inquired whether Hensel Phelps would present a quarterly report at the January 2015 Committee Meeting. Ms. Evans advised that the quarterly report, including information about Hensel Phelps' staff and jurisdiction representation, would be presented in February 2015.

The Meeting was thereupon adjourned at 11:38 a.m.