



# **West Corridor**

## **Contract Award and GMP**

**June 2008**



# West Corridor Budget

RTD, following extensive negotiations of the contract that included confirmation and clarification of scope and detailed unit price review, has reached agreement with DTCG on a Guaranteed Maximum Price (GMP) to build the West Corridor.

This has resulted in a total project cost of \$707.6 million

This is a significant increase from the original West Corridor budget of \$511.8 million

Cost estimates were revised in May 2007 after a detailed review of escalating cost of materials and declining sales tax revenues. West Corridor budget was estimated at \$634 million in May 2007.

# 2007 Budget



2007 West Corridor Project Budget	\$634.7 M
EIS, Preliminary Engineering and Design Costs (FTA requirement, not in original estimates)	\$10.7 M
Third Party Requests (CDOT Federal bridge, Lakewood bike bridges)	\$10.4 M
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	\$655.9 M

# Between May 2007-May 2008



**Adjusted 2007 budget**

\$655.9 M

**Continued price escalation**

\$ 79.7 M

- Cost Spike in Construction Materials including steel (10.9%), concrete, copper and fuel (61.4%)
- Highway and street construction cost went up by 12.8%
- Producer Price Index for highway construction has been revised by 9.9%

**Scope Reductions and Deferments**

<\$ 28 M>

**\$707.6 million**

# How to Bridge the Gap



Funding planned in 2007	\$655.9 M
FTA additional funds to assist with material cost increases	\$ 18 M
Third Party additional funds due to increased cost (CDOT, Lakewood)	\$ 6.7 M
RTD/FasTracks funding through savings of FasTracks plan modifications	\$ 27 M
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	<b>\$707.6 million</b>

# Scope Reductions & Deferments



## **Systems, Roadways, Bridges/Structures and Bike Path** \$23.8M

- Systems – use standard communications system. Install conduits only for emergency phones and security cameras
- Bridges & Structures – Bridge over I-70 in place of tunnel, defer Red Rocks ped bridge, change paint to weathering steel at 6<sup>th</sup> Ave and Wadsworth
- Roadways – change Red Rocks bus loop to drop off, minimize pavement sections by building new on existing base, minimize roadwork
- Bike Path – Reduce width from 12' to 10', reducing right-of-way impacts

## **Stations and Noise Walls** \$ 4.2 M

- Stations – Simplify station elements and reduce station furnishings, railings, landscaping, simplify walls and plazas
- Noise Walls – Limit theme to fractured fin and type to post & panel

**Total** \$28 M



# Deferred Scope Items

Numerous items that deal with construction methods, operations, communication, safety etc.

Tried to focus on big ticket items and items that were easy to add in at the end of the project without affecting construction methods.

RTD is required to carry a \$39 million contingency on the West Corridor per FTA. As the project progresses, the contingency will be evaluated and deferred items may be added back in as prioritized by individual jurisdictions. This was done successfully on T-REX (ped bridges and stations in the south end).

# What's Next



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|--------------|--|
| June 2008    | RTD Board to take action on accepting the GMP and DTCCG as the construction contractor for the West Corridor and lock in budget at \$707.6 million |
| June 2008    | Full Funding Grant Agreement sent to FTA which includes final cost of project  |
| July 2008    | Early construction continues on West Corridor  |
| Oct/Nov 2008 | FFGA award expected – Full Notice to Proceed (NTP) given to DTCCG  |