



Engineering, Operations, & Technology Committee

Value Engineering On-Call Agreements

Item 7-1

August 19, 2024

Item 7-1

Value Engineering On-Call Agreements

Subject

Authorize on-call agreements with AECOM, RHA LLC, Strategic Value Solutions Inc., and Value Management Strategies Inc., in amounts not to exceed \$1.5 million each, for a maximum period of three years for value engineering and related technical services

Purpose

Contracting with multiple firms provides flexibility and an efficient means for Metropolitan to obtain needed value engineering and related technical services to support Capital Investment Plan (CIP) projects

Recommendation and Fiscal Impact

Authorize agreements for value engineering and related technical services in support of the CIP

Fiscal Impact – None

Budgeted

Value Engineering On-call Agreements

Value Engineering Program

- History
 - VE Program has been in place for 30 years
 - Hundreds of CIP projects have been examined
- Objectives
 - Enhance overall project performance
 - Optimize use of funding for CIP projects
 - Demonstrate responsible use of public funds
- Workshop Process
 - Apply Value Methodology to examine essential functions of a project relative to costs
 - Focus on achieving required functions at the best possible capital and life cycle cost

Value Engineering On-call Agreements

Professional Services Agreements

- Value Engineering Services On-call Agreements
 - Used to provide value engineering, constructability review, risk assessment and related workshops
 - Applied to CIP projects with estimated construction cost \geq \$5 M
 - On-call agreements typically used for short-term assignments and urgent projects
 - Allows for flexibility and expedited project delivery
 - Work is not guaranteed to consultants

Value Engineering On-call Agreements

Scope of Work

- Workshop facilitation
 - Value engineering
 - Constructability reviews
 - Risk assessments
 - Technical evaluations
- Subject matter experts
 - Construction methodologies
 - Cost estimator
 - Specific engineering discipline expertise



Virtual Workshop for
Foothill Power Plant
(January 2024)



Site Visit at
Diemer Water Treatment Plant
(June 2024)

Value Engineering On-call Agreements

Request for Qualification (RFQ) 1370

- Issued April 2024 to establish pool of qualified firms
 - 4 firms responded
 - All firms were determined to be qualified
 - Services to be provided include value engineering and related services
 - SBE participation level – 25%
 - All 4 firms recommended for agreements

Value Engineering On-call Agreements

Alternatives Considered

- Use Metropolitan staff
 - Insufficient staff proficient in providing value engineering services
 - Staff fully occupied supporting CIP projects
- Selected Alternative – Utilize On-call Agreements
 - Allows timely completion of work
 - Provides third-party perspective

Board Options

- Option #1

Authorize on-call agreements with AECOM, RHA LLC, Strategic Value Solutions Inc., and Value Management Strategies Inc., in amounts not to exceed \$1.5 million each, for a maximum period of three years for value engineering and related technical services.

- Option #2

Do not authorize the consulting agreements at this time.

Staff Recommendation

- Option #1

