



Engineering & Operations Committee

Amend Agreements for Value Engineering and Other Technical Services

Item 7-6

August 15, 2022

Amend Value Engineering Agreements

Current Action

- Authorize annual increases of \$200,000 to existing five-year on-call agreements with RHA, LLC; Strategic Value Solutions, Inc.; and Value Management Strategies, Inc., for new annual not-to-exceed totals of \$440,000, for value engineering and other technical services in support of Capital Investment Plan projects

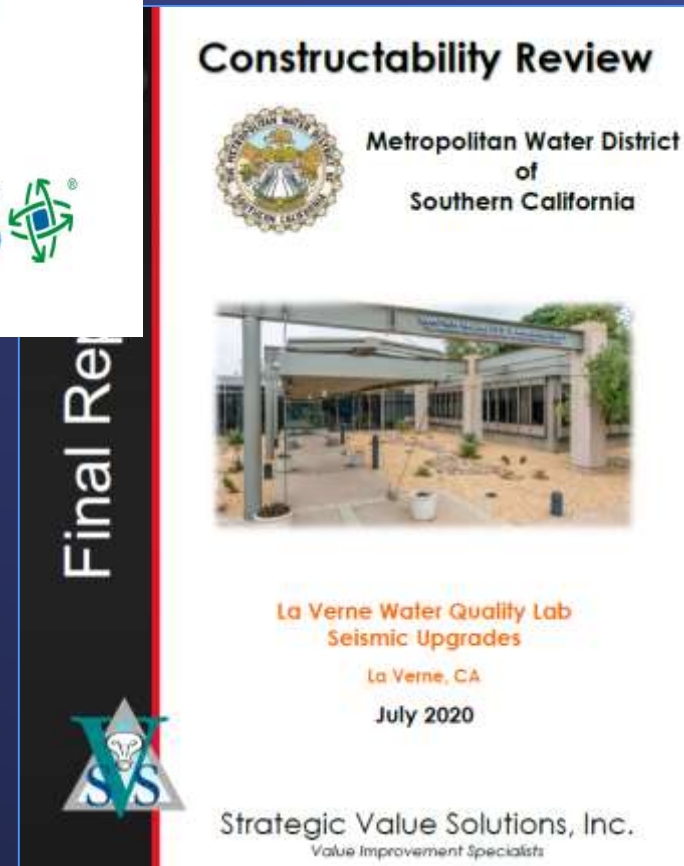
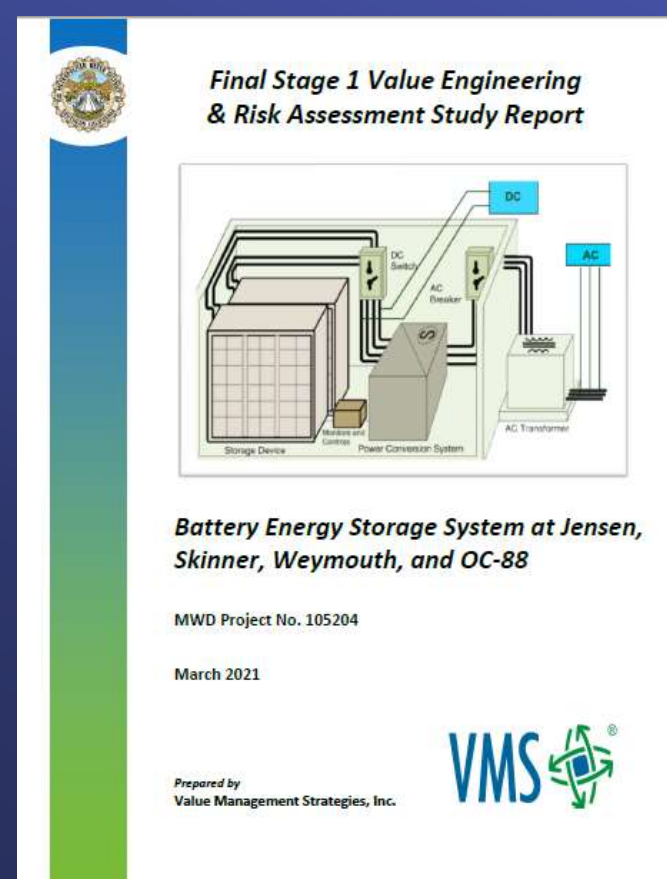
Background

- **1994:** Value Engineering (VE) program initiated at Metropolitan
- **Objective:** To enhance project performance, optimize use of funding for CIP projects, & demonstrate responsible use of public funds
- **Types of Studies:** VE, constructability and ad hoc



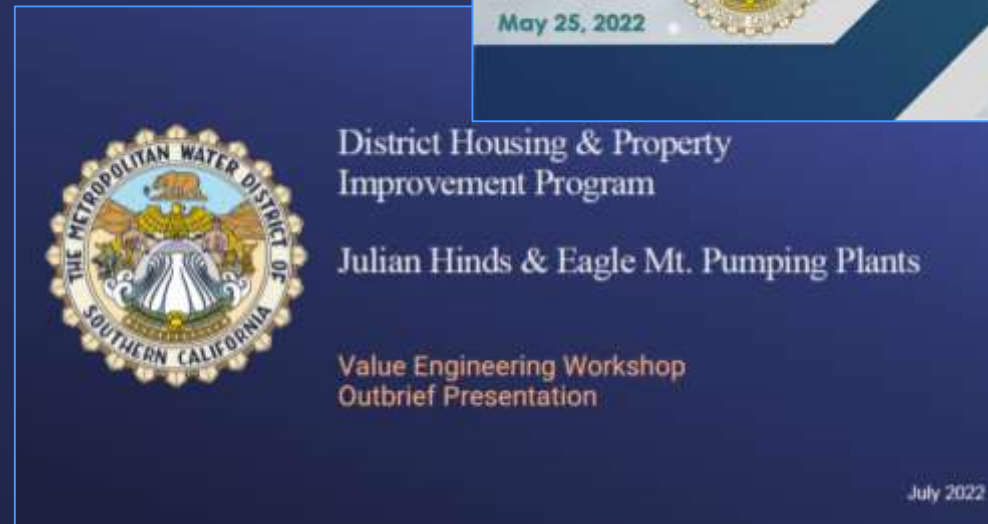
Background (cont.)

- **2019:** GM authorized three on-call agreements for five years, with a maximum amount payable of \$240,000 per agreement year to provide value engineering services
 - RHA, LLC
 - Strategic Value Solutions, Inc.
 - Value Management Strategies, Inc.
- 27 workshops since 2019
- Potential Savings Identified: \$24.1M



Background (cont.)

- **Apr. 2022:** Board approved \$600M CIP budget for FYs 2022/23 & 2023/24
- Anticipated increase in VE & other workshops
- VE consultants approaching annual not-to-exceed amount earlier than anticipated



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Alternatives Considered

- Assess availability & capability of in-house Metropolitan staff to conduct this work
 - Resource needs exceed available in-house staffing
 - In-house staff cannot provide third-party perspective, a key element of a value-engineering review
- Selected Alternative
 - Use consultants for VE services

Amend Value Engineering Agreements

Amendment to Agreements – RHA, LLC; Strategic Value Solutions, Inc.; and Value Management Strategies, Inc.

- Prequalified under RFQ No. 1229
- Scope of Work
 - Provide value engineering, meeting facilitation & technical engineering services
- SBE participation level: 25%
- New NTE amount: \$440,000 per agreement

Board Options

- Option #1

Authorize annual increases of \$200,000 to existing, five-year on-call agreements with RHA, LLC; Strategic Value Solutions, Inc.; and Value Management Strategies, Inc., for a new annual not-to-exceed total of \$440,000, for value engineering and technical engineering services.

- Option #2

Do not authorize an increase in the maximum amount payable under the value engineering agreements at this time.

Staff Recommendation

- Option #1

