



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

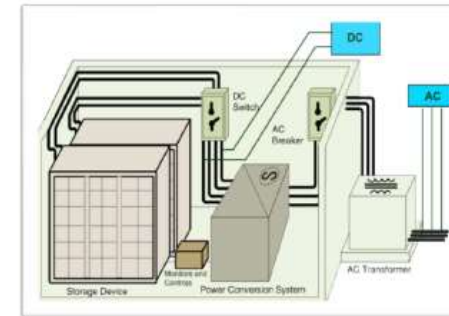


Background (cont.)

- **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



Final Stage 1 Value Engineering & Risk Assessment Study Report



Battery Energy Storage System at Jensen, Skinner, Weymouth, and OC-88

MWD Project No. 105204

March 2021

Prepared by
Value Management Strategies, Inc.



Constructability Review



Metropolitan Water District
of
Southern California



La Verne Water Quality Lab Seismic Upgrades

La Verne, CA

July 2020



Strategic Value Solutions, Inc.
Value Improvement Specialists

Final Report

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



SWP Dependent Area Solutions: Workshop #1
Drought Action Planning and Development Overview and Objectives
April 22, 2022



Value Team Presentation of Alternatives
DVL to Rialto Drought Action Constructability Review
May 25, 2022



District Housing & Property Improvement Program
Julian Hinds & Eagle Mt. Pumping Plants
Value Engineering Workshop Outbrief Presentation
July 2022

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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

