

#### **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 ullet



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



#### **Constructability Review**



Final Re

Metropolitan Water District Southern California



La Verne Water Quality Lab Seismic Upgrades

> La Verne, CA July 2020

Strategic Value Solutions, Inc.

# 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

#### Value Team Presentation of Alternatives

DVL to Rialto Drought Action Constructability Review



District Housing & Property Improvement Program

May 25, 2022

Julian Hinds & Eagle Mt. Pumping Plants

Value Engineering Workshop Outbrief Presentation

July 2022

Engineering & Operations Committee

Amend Value Engineering Agreements

### **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

