

Monterey Peninsula Regional Water Authority Agenda Report

Date: July 10, 2014

Item No: 1

FROM: Executive Director Cullem

SUBJECT: Receive Report from Value Management Strategies, Inc., Discuss, and Provide Direction on the Draft Preliminary Value Engineering Study of CDM's 30% Design of the California American Water Company Desalination Project.

RECOMMENDATION:

It is recommended that the Governance Committee and the Monterey Peninsula Regional Water Authority receive a verbal report on the Draft Preliminary Value Engineering (VE) Study of the Monterey Peninsula Water Supply Project (MPWSP) at the 30% design point and receive public input to be conveyed to Value Management Strategies (VMS) during its evaluation.

DISCUSSION:

The purpose of the VE study is to conduct a peer review of the desalination plant design currently being performed for Cal Am by Camp Dresser McKee (CDM). VE studies routinely suggest ways to reduce costs or improve efficiencies in the construction and operation of the facilities. At the request of the Governance Committee (GC), the Monterey Peninsula Regional Water Authority (MPRWA) advertised, awarded, and administers the VE contract. The VE Study Agenda for the workshop is at Exhibit A. The 30% design documents can be found on the MPWSP web site at www.watersupplyproject.org .

VMS conducted the VE kickoff meeting the morning of July 7 and the results of that meeting were presented verbally to the TAC. Following the briefing, the TAC received public comments which were conveyed to the VE team for consideration during the workshop. VMS completed the workshop on July 10, and a Preliminary VE Study report will be provided to design team stakeholders on July 11.

In order to keep the GC and MPRWA members informed, and to gather additional public input, The VE team will make a verbal report on the Draft Preliminary VE Study to a joint meeting of the Governance Committee/ Water Authority at 7:00 p.m., Thursday, July 10, 2014. A more detailed Preliminary VE Study will be presented to CDM and Cal Am design staff at 10:00 a.m. on Friday, 2014.

BUDGET CONSIDERATIONS:

Following negotiations between the staffs of VMS, Cal-Am, and the MPRWA, minor changes were made to the proposal in order to reduce the cost of the VE contract from \$123,977.22 to \$109,035.70, a ratepayer savings of approximately 12%. The Water Authority awarded the

contract on June 12, 2014 and also approved a contingency of not-to-exceed \$11,000.00. To date, it has not been necessary to utilize the contingency funds.

ATTACHMENTS:

- Value Engineering Study Agenda



MONTEREY PENINSULA WATER SUPPLY DESAL PLANT

VALUE ENGINEERING STUDY AGENDA July 7 – 11, 2014

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VE Study Meeting Location: California American Water
511 Forest Lodge Rd
Pacific Grove, CA 93950

July 7		Monday	
8:30	VE Study Kickoff Meeting	Welcome & Introductions VE Process and Agenda Overview Identify VE Study Objectives A/E Design Team's Presentation of Project <ul style="list-style-type: none"> • Project Background • D/B RFP Requirements • Design Concept Overview • Project Issues & Constraints • Project Schedule & Construction Challenges 	All Project Stakeholder Representatives
10:30	Conclusion of VE Study Kickoff Meeting		
10:30	TAC Meeting – Provide Comments, Project Issues, or Value Targets to VE Team		TAC Members
10:45	VE Performance Criteria Development and Prioritization		VE Team
11:30	VE Team Analysis and Rating of Baseline Concept		
12:00	Lunch		
1:00	VE Team Review and Discussion of Project Documents Identify Project Issues and Value Targets VE Team Review of Cost Model		
3:30	Function Analysis/Fast Diagram		
5:00	Adjourn		
July 8		Tuesday	
8:00	Team Brainstorming of Creative Ideas		VE Team
12:00	Lunch		
1:00	Creative Idea Generation Cont'd		
2:00	Evaluation of Ideas		
4:30	Assign Ideas for Development Discuss Development Process and Expectations		
5:00	Adjourn		



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VALUE ENGINEERING STUDY AGENDA July 7 – 11, 2014

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July 9	Wednesday	
8:00	Value Alternative Development	VE Team
10:00	Mid-point Review of Preliminary VE Alts	Project Stakeholder Reps
12:00	Lunch	
1:00	Value Alternative Development Cont'd	
5:00	Adjourn	
July 10	Thursday	
8:00	Value Alternative Development Cont'd	VE Team
12:00	Lunch	
1:00	Complete Value Alternative Development	
3:30	Prepare for VE Presentation	
5:00	Adjourn	
7:00	Preliminary Briefing of VE Results to Water Board	
July 11	Friday	
8:00	Finalize Presentation Preparation	VE Team
10:00	VE Study Results Presentation	All Project Stakeholder Representatives
12:00	Adjourn	