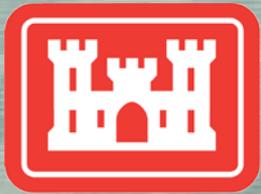


Value Engineering: O&M Dredging Program

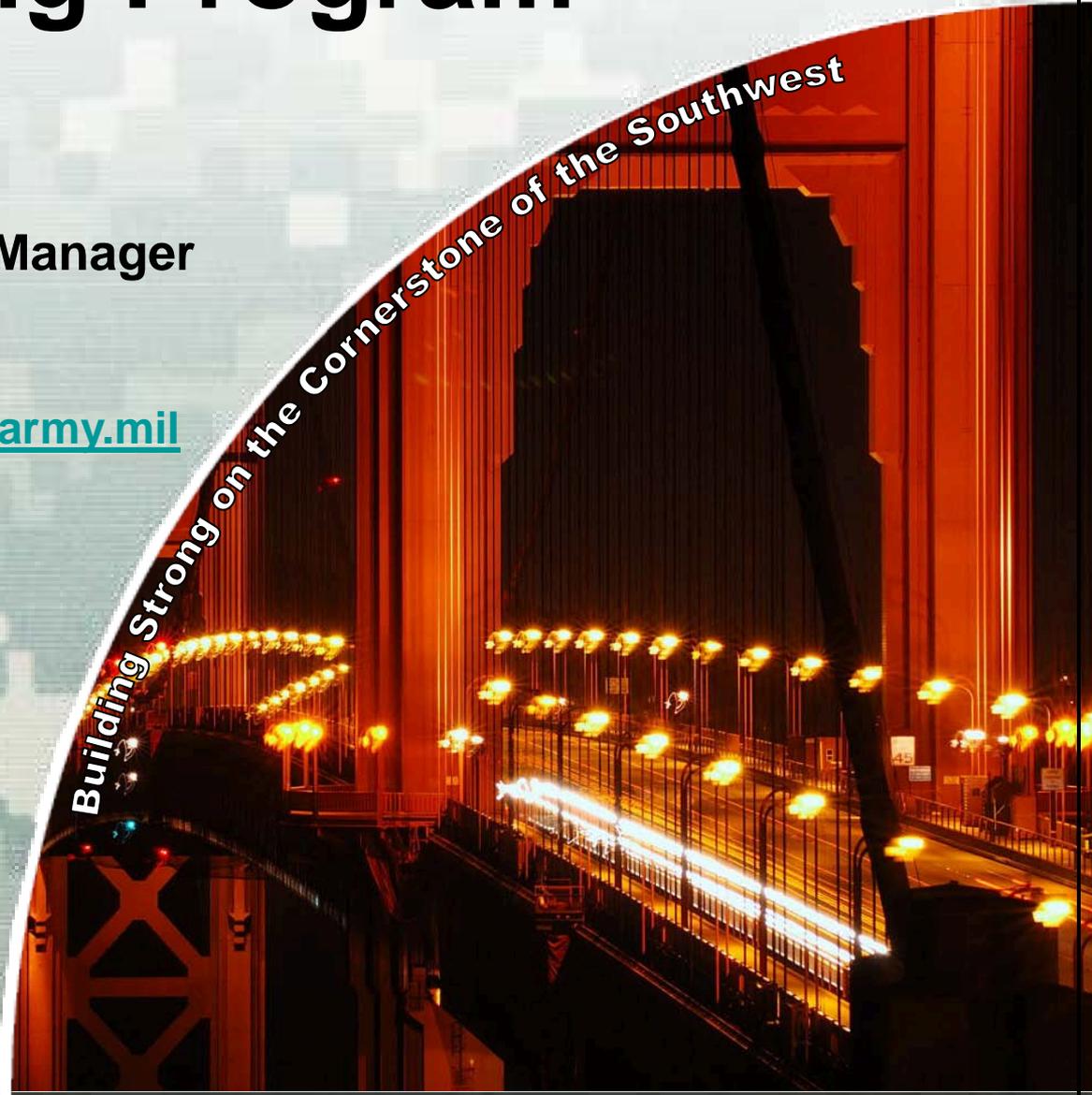
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LTMS Management Committee
02 August 2011



US Army Corps of Engineers
BUILDING STRONG[®]
San Francisco District

Building Strong on the Cornerstone of the Southwest



Presentation Agenda

- Value Engineering (VE) Study Background
 - Meeting & Attendees
 - Purpose & Need
 - VE Study Boundaries

- VE Study Results
 - Summary
 - Specific Recommendations
 - Initial evaluation and early actions

- Way Ahead –
 - Implementation plan development



VE Study – Meeting & Attendees

May 16-20, 2011

- Luis Venegas, VMS
(Study Team Leader)
- April Hiller, VMS
- James Garror, USACE
- David Doak, USACE
- Brian Ross, EPA
- Brenda Goeden, BCDC
- Syed Burney, USACE
- Charles Fano, USACE
Walla Walla
- Richard Rhodes, Moffatt
& Nichol
- Jim Haussener, CMANC
- Greg Hartman, Hartman
Associates
- Scott Noble, Noble
Consultants, Inc.
- Leonard Cardoza,
Weston Solution, Inc.



VE Study – Purpose & Need

1. Evaluate current contracting strategies and practices to invite greater competition among the dredging contractor community.
2. Evaluate contracts to look for opportunities for advanced maintenance to extend project utility for a longer maintenance cycle.
3. Maximizing the use of upland sites where appropriate and cost effective to meet LTMS goals and environmental considerations.



VE Study Boundaries

- Environmental Parameters:
 - Environmental work windows
 - Endangered Species Act (ESA)/ Essential Fish Habitat (EFH)
 - In-bay placement / sediment quality / characterization time
- Environmental Goals:
 - In-bay placement < 40% of total through 2012, < 20% of total after 2012
 - Maximize beneficial use



VE Study Boundaries

- Budget
 - Late budget timing
 - Budget uncertainties – specifically to fiscal years 2010, 2011 and 2012
- Other
 - Reduced competition
 - Contracting restrictions and contract award timing
 - Dredge equipment availability
 - USACE “process”





Figure 1. Oakland -50 ft Project Completion Ceremony



Summary

- 88 ideas initially considered
- Refined, combined, or dismissed
- 26 ideas for actions
 - VE team identified 11 actions with greatest potential for success/implementation
- Idea Classification
 - IC – Increase Competition
 - ICP – Improve Contract/Project
 - EE – Enhance Environmental



Legend

Alternative number and description identified in VE Study.

Asterix (*) denotes the 11 alternatives deemed most critical by VE Team.

*** IC-1 Consolidate Contracts:** 1 or more dredging projects on to a single larger contract, may span geographic areas and/or multiple years.

➤ **Requires additional evaluation.**

Initial evaluation and proposed action by San Francisco District



VE Study Results

* **IC-1 Consolidate contracts:** Combine one or more dredging projects on to a single larger contract; may span geographic areas and/or multiple years.

➤ **Requires additional evaluation.**

IC-3 Alternative contracting methods: Select the best contracting methodology to maximize the overall dredging program. Alternative contracting methods include IDIQ, RFP, D-B, CR, T&M, ECI, ER and EP.

➤ **Requires additional evaluation.**



VE Study Results

* **IC-4 Use an array of disposal sites rather than single-source disposal site:** Identify multiple disposal sites or allow the contractor to identify disposal site(s).

➤ Initial implementation with FY11 solicitations for Richmond & Oakland. Evaluate and refine for future years.

IC-7 Reduce size of dredging contracts: Use smaller contracts (size, dollars or length/depth) to encourage additional contractor participation.

➤ Maximize efficacy by combining with other ideas. Requires additional evaluation.



VE Study Results

IC-12 Use separate beneficial reuse contracts:

Separate placement contracts, possibly from multiple locations.

- Requires additional evaluation, may combine with others ideas.

IC-13 Use separate on-call contracts: Examples include “clean-up” dredging, knockdowns, discrete shoals that impact an entire channel, or emergency dredging

- Requires additional evaluation, may combine with others ideas.



VE Study Results

***IC-15 Increase communication with contractors:** Invite participation early in the acquisition process.

***IC-25 Focus market research appropriately to improve competition:** Identify more specialized/capable SBA/8(a) contractors and/or end users of dredged material.

➤ Initial implementation with FY11 solicitations. Evaluate and refine future years.

***ICP-1 Get individual contract out on time:** Maintain schedule published at the beginning of the FY.

➤ Implement as an explicit goal of the O&M Dredging Program and as a result of other changes to the dredging program.



VE Study Results

***ICP- 6 Maintain PDT continuity:** Provide for continuity of PDT membership to the maximum extent possible.

- Create a development and retention strategy.

ICP-8 Review contract language: Establish a procedure for periodic review of contract language.

ICP-9 Have all permitting as part of solicitation package: Attach permits to the specification package as an appendix to eliminate duplication.

- Develop and implement contract review procedure, including environmental/permit concerns.





Figure 2. View from the Alcatraz Disposal Site (SF-11)



VE Study Results

ICP-11 First Quarter Project Team meeting: Review project, budget, schedule, AAR results from previous year, IAA, and the latest environmental restrictions. Include local sponsor and regulatory agencies

➤ **Implement for O&M dredging program and projects.**

***ICP-14 Use multi-year Environmental Assessments:** Consider “categorical exclusions” or use a three-year EA tied to the IAA and CD.

➤ **Developed for Oakland, develop for remaining annual projects. Reevaluate NEPA documents following completion of the DMMP.**



VE Study Results

ICP-15 Expand Consistency Determination to 10 years: Produce multi-year CDs.

- Requires external coordination.

***ICP-18 Decouple environmental tasks from engineering/contracting process:** Allow environmental tasks to track parallel to engineering/contracting tasks.

- Initial development with FY12 project schedules.

ICP-22 Periodic audit workshop related to standard permit requirements: Review all standard permit conditions jointly by DMMO agencies.

- Requires action by DMMO agencies



VE Study Results

ICP-24 Move O&M dredging to one branch: Consider moving the maintenance dredging function to one branch

- Requires additional evaluation.

ICP-29 Minimum dig face: Use advance maintenance and/or sediment redistribution methods to remove minor shoaling with longer in between maintenance episodes.

- Maximize efficacy by combining with other ideas.
Requires additional evaluation.



VE Study Results

***ICP-30 Reduce internal design/specification review period.**

- Evaluate USACE guidance and request variance, if needed.

ICP-32 Expand participants of annual program AAR:
Invite all interested stakeholders to include local sponsors, harbor pilots, resource/regulatory agencies, & Harbor Safety Committee.

- Implement with FY11 Program AAR.



VE Study Results

ICP-33 Have Corps Construction Branch assume responsibility of Project AARs.

- Develop process and implement for projects completed in FY11.

ICP-35 Improve coordination between contract package creation and Construction Branch: Provide a construction representative as a full-time PDT member.

- Review and revise PDT roles and responsibilities in PMP as appropriate.



VE Study Results

ICP-39 Fund O&M dredging program rather than individual projects.

➤ **Coordinate during National budget development, requires congressional action.**

***EE-1 Dredge deeper, less frequently.**

➤ **Requires additional evaluation.**

***EE-6 Identify new In-Bay beneficial reuse opportunities.**

➤ **Being developed by the DMMP.**



Way Ahead

- Further develop VE implementation plan in conjunction with the FY12 Program Management Plan.
- Internal, quarterly progress reviews.
- Annual/Semi-annual presentation to and feedback from sponsors and stakeholders.
 - O&M Dredging Program Workshops
 - LTMS
 - AAR



Discussion



Figure 3. ESSAYONS on approach to the Alcatraz Disposal Site

