



IN THIS MONTH'S ISSUE:

1 Feature Article

Everyone wins when you're all on the same team!

2 Director's Message

3 Letter to the Editor

5 Conference Corner

Government VM Conference:
Improving the future

Ready...Set...Go Reno!

8 Certification Corner

Certification 411: News you
can use

9 Society News

2008 election results

Proposed constitutional
amendment

11 Chapter News

San Diego Chapter tour of
San Diego Airport

12 Member News

14 VM Events

Gulf VE Conference report
SHVA Conference report

15 Other Events & Announcements

17 Suggested Reading

Handbook of Values
Management Thinking

Feature Article

Everyone wins when you're all on the same team!

By George J. Bartolomei, CVS-Life, Value Management Institute

Here's another value methodology success story that serves to illustrate the results one can achieve by having project owners and designers be part of and/or fully participate in applying the VE job plan to their project(s)!

During the interview to determine if a VE workshop would be of any benefit, the client (Eastern Municipal Water District, Perris, CA) expressed a degree of apprehension about potential results, because their project had already been through a number of major cost reduction efforts during the course of design. The additional fact that this design was almost 90% complete was another concern, both in reducing the probability of change incorporation, and in pulling together a VE Team on relatively short notice.

After discussing the VMI approach in keeping the users and designers fully involved throughout the Information, creative and evaluation phases of the job plan (*InterActions*, November 1995), EMWD elected to proceed. To expedite selection of VE Team members, EMWD tasked the project designer (Carollo Engineers, Fountain Valley, CA) with that effort under their existing contract, with assistance from VMI.

The project was an expansion of an existing water reclamation facility. In searching for "cost drivers" on the

project, the VE team identified several with major cost impact that could be modified at minimal expense. The need for a 700HP effluent pump motor established a requirement for a medium voltage electrical system at the plant. Replacing that one large pump with two smaller pumps requiring smaller motors provided an added degree of system availability while eliminating the special electrical system, for estimated savings in excess of \$1 million.

Rerouting a return water pipeline eliminated over 1,000 feet of buried pipe, and reduced the amount of construction time and activity on a crowded site, resulting in over \$2.8 million in potential project savings. Using pad-mounted in lieu of substation type transformers added another \$900,000 to a total of more than 25 proposals and design suggestions that will be implemented, eventually exceeded \$6.2 million in potential savings. A number of "value added" proposals were also approved, increasing project costs by \$700,000.

The total sum of all the "cost adders", VE workshop costs and redesign effort necessary to incorporate the VE team proposals amounted to approximately \$1.2 million, for a net savings to the project of some \$6 million, a

←Gulf VE Conference continued from page 14

- Certification exams
- Exhibits.

Craig L. Squires, VP-Global Affairs, represented SAVE International. He participated effectively in the conference. Professor Steven Male, represented the European Value Management Society. He gave an excellent lecture and conducted a training course titled “The New European System of Value Management”.

The conference demonstrated good indications of full support towards the enhancement and enforcement of VE application in public and private sectors in the Gulf region.

The event concluded with recognition of HRH Crown Prince Khalid Sultan Bin Abdulaziz Al-Saud, the Gulf chapter “Honorary President” in acknowledgement of his great support to VE in the Gulf region.

Register now for free product cost webinar

Join a 60 minute overview of Boothroyd Dewhurst’s Design For Manufacture and Assembly (DFMA) methodology and software tools. Participants will learn not only how DFMA is used to gain a better understanding of cost, but also how DFMA helps to reduce the cost of manufacturing their products.

- Title: “Psst! Want a secret for getting better product cost information?”
- Date: Thursday, May 15, 2008
- Time: 11:00 AM - 12:00 PM EDT
- System Requirements:
 - PC-based attendees: Windows® 2000, XP Home, XP Pro, 2003 Server, Vista

- Macintosh®-based attendees: Mac OS® X 10.3.9 (Panther®) or newer.

Space is limited.

Reserve your free webinar seat now at: <https://www1.gotomeeting.com/register/962616730>.

←Feature Article continued from page 1

very definite win-win-win-win situation for the client (EMWD), designers (Carollo Engineers), the VE consultant (VMI) and SAVE International!

For additional EMWD information, contact Jalal Ahmadpour (ahmadpourj@emwd.org). The Carollo Engineers contact is Doug Lanning (dlanning@carollo.com).



LAWRENCE DELOS MILES VALUE FOUNDATION

A non-profit public foundation dedicated to the advancement of the state-of-the-art of value methodology through planning, research and education.

PROUD SPONSOR OF THE 2008 ACADEMIC TRACK

www.valuefoundation.org

mvf@valuefoundation.org