

“MORE for LESS”, Optimized Value Engineering

by

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“MORE for LESS” almost sounds like an impossible goal, but it does happen!! The application of Value Engineering methodology almost always results in options that both *increase value AND reduce costs* on projects from any sector of the business community.

One case in point was the National City Marine Terminal Phase I Redevelopment Project for the Port of San Diego. The initial Project called for a pier extension of approximately 800 ft. which was 1/3 of a 3 Phase program to lengthen the pier approximately 2400 ft. A quick look at those numbers led the Value Engineering Team to suspect that a pier length of “convenience” rather than “need” might have been selected for this Phase 1 Project.

A layout analysis of various ship type and length data was conducted by the VE Team. It was concluded that ADDING an extra 325 ft. to the planned 800 ft. would DOUBLE the pier capacity for specific container ships that were key to pier operations and a marketing thrust to increase this type of business for the Port of San Diego. The estimated ADDED cost for this proposal was over \$4.8 M, but the Team felt it represented good VALUE. (Note: This is of course in direct opposition to the “non-informed” impression that Value Engineering IS “cost reduction”.)

Bottom line is that the Port DID accept the proposal, PLUS a number of other proposals that actually REDUCED project costs enough to pay for the additional pier length! Not only that, but now the Port can complete their total Program in only two phases, adding considerable savings in the “cost of money”. This will also reduce the schedule necessary to bring the full Project into revenue generating additional Port business.

The VE Team “brainstormed” 114 ideas for this project, and developed 35 proposals that represented 50 of the ideas that were generated. The Team was led by a Certified Value Specialist (CVS), followed the Value Engineering Job Plan, and the Study was conducted in a one week time frame. All the brainstormed ideas were displayed in the meeting room, and during the Study many Port of San Diego officials visited the site to add their comments and suggestions, truly a “Team” effort on the part of all participants AND visitors!!

For those of you interested in learning more about Value Engineering, San Diego has an active SAVE, International Chapter, and a Web Site. The site has a variety of general information, local Chapter meeting flyers and newsletters, and a membership application. It may be accessed at: <http://www.sdsave.org>