



MILCON TRANSFORMATION



The contribution of Value Services by Strategic Value Solutions, Inc. has produced award-winning results for the US Army Corps of Engineers Louisville District. The Outstanding Value Engineering Team award was received at the 2006 Department of Defense Value Engineering Achievement Awards competition, as well as an award for the MILCON Transformation (MT) Team and a Special Award for the Louisville District.

SVS conducted 13 Value Engineering/Management Workshops to help the Corps transform its Military Construction Delivery Process for needed execution. "The Value Engineering work culminated in award of a pilot project at 100 percent scope, within budget, during a difficult construction bid climate due to Hurricane Katrina, while utilizing less funds per facility than allowed in previous years," according to the DoD information paper announcing the Louisville District awards.

Approximately \$130 million in cost savings was documented through issuance of the award in early May 2007, and more than \$120 million was saved on other projects using similar delivery in the same timeframe, solidly reinforcing the cost effectiveness of the use of the value methodology.





The process started when the headquarters office of the US Army Corps of Engineers requested that John Robinson serve as project manager and lead a series of value-based workshops. This effort was to help the Corps develop a strategy for executing the enormous workload (four times the normal) while maintaining existing staff levels and with a seemingly insurmountable request by the Department of Army to lower construction costs.

John led an extensive effort using the value process to first benchmark military construction costs to industry standards, including the incorporation of sustainable design and AT/FP requirements. Specific military facilities were compared to private sector facilities performing the same function. The next step was to conduct numerous value engineering workshops on various projects to identify the changes that the Army needed to make in their engineering standards and by their project delivery system in order to achieve the much lower costs realized by the private sector. The projects still had to meet the Army's performance measures. The results of our work were validated through pilot projects. The SVS team has rewritten the Corps Value Engineering ER, revised several construction ER's, drafted a model source selection plan for this work, created two implementation guides, and developed a training plan for MILCON Transformation program. SVS continues to provide QA/QC services on draft RFPs developed by in-house Corps teams as well as those developed by consultant teams using the Value Methodology, as well as participating with Corps and consultant teams to guide them through the development of the RFP using a performance-based design charrette.

SVS Conducted the following workshops:

Comparison of Industry Standards to Military Standards

MT Model RFP

MT Program Delivery Plan

MT Path Forward with Senior Leaders

MT Risk Management Plan

MT RFP Implementation Guide

MT Design-Build Contract Management

MT Model RFP Field Execution Guide

MT RFP Evaluation Guide

MT Program History

Inputs to other focus areas

Outputs of Scope/Resourcing

Identification of Roadblocks

Senior Leader Workshop

MT Comment Resolution

Contract Administration After Award

Through a series of workshops on multiple project types led by John Robinson developed the technical requirements and acquisition method; John's team predicted the Army could save 25% (\$6 Billion) by following their recommendations. SVS validated the savings at 45%, with the construction schedule being reduced from 22 months to 10 months. Based on this validation, Congress directed the Army to reduce their programming budgets for individual

projects by 20% across the board. Several hundred million dollars worth of facilities have now been designed and are under construction and continue to exceed expectations while being delivered at or below the new ceiling.