

Capital Improvement Program Delivery Updates

GLWA's Capital Planning Committee

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Agenda

- Key Take-Aways
- What is the AECOM Contract
- Where We've Been
- Where We're Going
- Task-by-Task Update



Key Take-Aways



What is the AECOM Contract

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Summary of Contract

- ◆ Consulting Services
 - ◆ Executed May 17, 2019
 - ◆ Four Year Duration
 - ◆ Approximately \$55M Total
 - ◆ 10 Interrelated Tasks
- ◆ Largest Task
 - ◆ Task 7 - Staff Augmentation
 - ◆ Staff Augmentation is 60% of Contract ~ \$33M
- ◆ Purpose is to Improve Multiple Facets of CIP Execution

Contract Goals

Increase...

- ◆ annual throughput of the CIP
- ◆ accuracy of project cost estimating
- ◆ accuracy of cash flow forecasting
- ◆ competitiveness of construction bids through improved solicitation scopes

Improve...

- ◆ contract change management processes (change orders) in both construction and professional services
- ◆ performance of project scheduling
- ◆ organizational resources and structure

The goal at the end of the contract is for GLWA to have the tools and resources needed to manage a best-in-class CIP **without the need for outsourcing program management**

Where We've Been

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Where We've Been

Key Progress

Gained Understanding

- 195 team members engaged
- 80 workshops and meetings
- 21 business units engaged
- 60 business processes mapped

Recommendations Made & Under Consideration

- Organizational Structure Changes
- Project Manager Role and Responsibility Changes
- Highest Priority Business Process Changes

Completed draft of the Resource Development Plan

Completed draft of the PMIS Request for Proposal

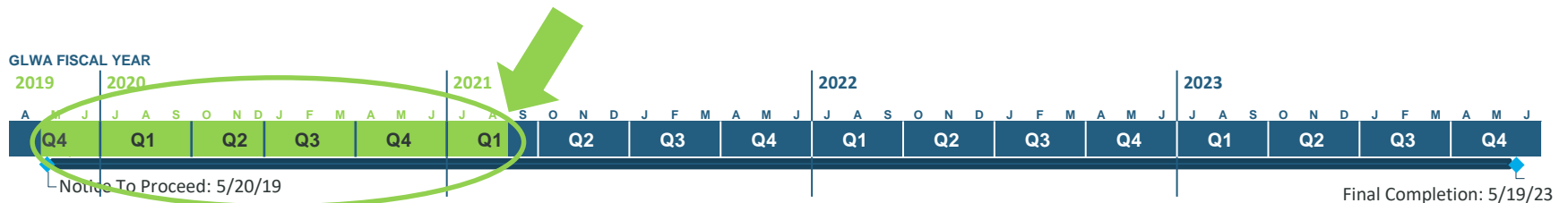
Completed Validation of All Projects in the CIP

Ramping up Use of Staff Augmentation Task

- Initiated more than 70 individual tasks
- Committed about 50% of the task (\$15M/\$33M)

Adding 5 New Project Managers

- Increase project execution
- 3 dedicated to water projects
- 2 dedicated to wastewater projects
- Starting with managing 15 of the CIP projects



Comparison to What We Expected

When We Started Last Year, We Expected

Year 1

- ◆ Standup the Project Management Office
- ◆ Improved business processes
- ◆ Improved reporting
- ◆ Start of staff augmentation

Year 2

- ◆ Recommendations on resources
- ◆ IT solution requirements
- ◆ CIP project changes (packaging, delivery methods and sequencing)
- ◆ Increased staff augmentation

Year 3

- ◆ Possible organizational structure changes
- ◆ Begin implementation of IT solutions
- ◆ level-off of staff augmentation

Year 4

- ◆ Completion of IT solutions
- ◆ Further improved reporting
- ◆ Decreased staff augmentation
- ◆ Phasing out of consultant

How Are We Doing

Year 1

- ◆ Added to asset management Structure in Year 2
- ◆ Improved business processes - Underway
- ◆ Improved reporting - Accomplished
- ◆ Start of staff augmentation – Accomplished

Year 2

- ◆ Recommendations on resources – On Track
- ◆ IT solution requirements – Ahead of Schedule
- ◆ CIP project changes (packaging, delivery methods and sequencing) – Completed
- ◆ Increased staff augmentation – On Track

Year 3

- ◆ Possible organizational structure changes – On Track
- ◆ Begin implementation of IT solutions – On Track
- ◆ level-off of staff augmentation – On Track

Year 4

- ◆ Completion of IT solutions – On Track
- ◆ Further improved reporting – On Track
- ◆ Decreased staff augmentation – On Track
- ◆ Phasing out of consultant – On Track

Where We've Been with Organizational and Business Process Change

- AECOM presented recommendations in January and February
 - Organizational change related to governance
 - Change in roles and responsibilities of our project managers
- Many options for implementation exist. There is no “one size fits all” solution.
- Organizational change decisions are pending awaiting additional information on how such changes were experienced by other similar utilities around the country
- Currently focused on fast-tracking business process improvements for “quick wins”
- Currently working through these recommendations with the various business units

Examples of Streamlining Business Processes

Business Process	Definition	Desired Change	Example
Field Order	GLWA initiated directive to <i>use allowances/contingencies</i> within the contract work	Reduce time for execution	GLWA wants more soil borings
Task Budget Adjustment	GLWA initiated directive to <i>add scope to a design contract</i>	Reduce time for execution	GLWA wants to add VFDs to pumps
Change/Work Directive	GLWA initiated directive to <i>add scope to construction contract</i>	Reduce time for execution	GLWA decides to demo existing electrical duct banks
Change Request	<i>Contractor initiated</i> request for adjustment	Reduce time for execution	Contractor encounters differing site condition

Where We're Going

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Where We're Going

Key Milestones

Year 2

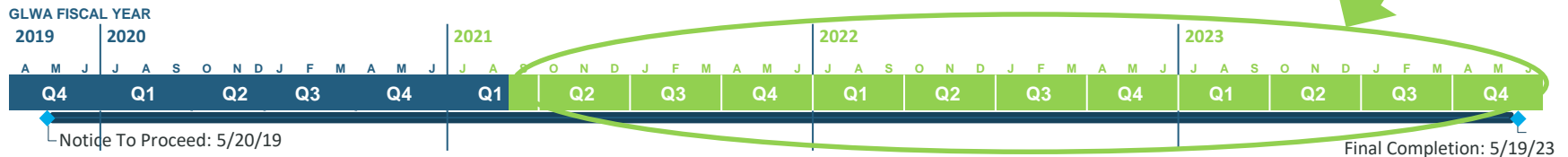
- Complete business process changes
- Recommendations on resources
- IT solution requirements
- Annual CIP project changes (packaging, delivery methods and sequencing)
- Increased staff augmentation

Year 3

- Possible organizational structure changes
- Begin implementation of IT solutions
- level-off of staff augmentation
- Annual CIP project changes (packaging, delivery methods and sequencing)

Year 4

- Completion of IT solutions
- Further improved reporting
- Decreased staff augmentation
- Phasing out of consultant

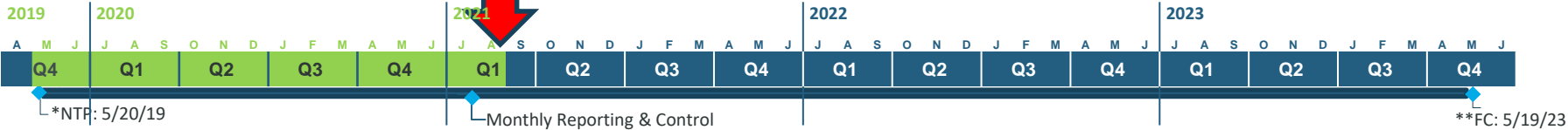


Task by Task Update

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CS-272: Capital Improvement Program Delivery

GLWA FISCAL YEAR



Key Progress

- Business Process Improvements- Recommendation Phase Underway
- Continued work on first tranche of PMP processes and SOPs
- Held several meetings with Legal and Finance on fast tracked business processes
- Completed preliminary Draft of the Resource Development Plan
- Received urgent assignment to provide PM services for Wick Rd water transmission main project
- Preparation of Validation Report in Progress
- In the process of assigning five (5) new project managers on board for Task 7



Budget/Schedule

Contract Duration 1,461 Calendar Days
460 Calendar Days since NTP
 (as of August 21, 2020)

31.5 % Time Elapsed

Total
\$54,934,034

Spent to Date
\$10,693,619 = 19.5%

*NTP = Notice to Proceed

**FC = Final Substantial Completion

Task 1: CIP Business Process Improvements

Lump Sum Task



Key Progress

- Business Process Improvements-Recommendation Phase Underway
- Held several meetings with Finance Group on fast tracked business processes



Budget

Total

\$1,043,816

Spent to Date

\$824,178 = 79%



Schedule

Estimated 378 Calendar Days
460 Calendar Days since NTP
(as of August 21, 2020)

122% Time Elapsed

Task 2: CIP Delivery Standard Operating Procedure (SOP) Development

Lump Sum Task



Key Progress

- Assisting GLWA with presentation to received approval from GLWA ELT to proceed with pilot approach
- Continued work on first tranche of PMP processes and SOPs
- Preparing documents to present to AMLT to advance issues and obtain decisions to move forward with piloting and ultimately with CIP PM structure for project delivery



Budget

Total

\$1,181,756

Spent to Date

\$183,904 = 15.6%



Schedule

Estimated 577 Calendar Days
460 Calendar Days since NTP
(as of August 21, 2020)

80% Time Elapsed

Inputs for Success

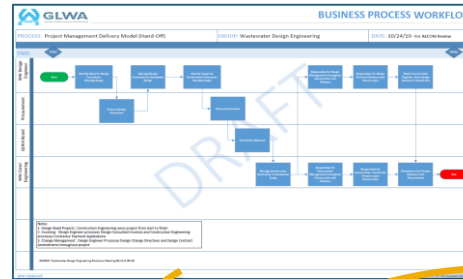
GLWA Vision/ Guiding Principles

- 1 Balanced Priorities**
Demonstrate financial stewardship to our member partners by balancing financial, operational, and capital priorities.
- 2 Cross-Functional Collaboration**
Work is optimized through effective cross-functional collaboration.
- 3 Empowerment + Accountability**
Everyone is empowered to create GLWA's success, and everyone is accountable for their commitments.
- 4 Scope Definition**
Capital Improvement Plan projects are clearly defined, refined, and informed by data-driven decisions.
- 5 Communication + Transparency**
Project status transparency communicates critical information to the team, for awareness and proactive management.

Industry Best Practice/PMP



As-is Process Workflow



GLWA CIP Delivery Structure



Improved CIP
Business Processes

} = ↑ CIP DELIVERY

Task 3: CIP Delivery Resource Evaluation

Lump Sum Task



Key Progress

- Completed preliminary Draft of the Resource Development Plan



Budget

Total

\$676,847

Spent to Date

**\$474,808 =
70.1%**



Schedule

Estimated 1,461 Calendar Days
460 Calendar Days since NTP
(as of August 21, 2020)

31.5 % Time Elapsed

Task 4: Project Management Information System (PMIS) Selection & Implementation

Lump Sum Task



Key Progress

- Held monthly PMIS status meeting with IT
- Received comments on draft RFP from IT department
- Recovered comments on draft RFP from IT department
- Scheduled comment review meeting with IT department



Budget

Total
\$1,493,744

Spent to Date
\$198,182 = 13.3%



Schedule

Estimated 1,461 Calendar Days
460 Calendar Days since NTP
(as of August 21, 2020)

31.5 % Time Elapsed

Task 5: Project Controls & Reporting Support

Time & Materials



Key Progress

- Reviewing and reconciling actuals on all projects reconciling data from different sources
- Implemented Cost Tool - PRISM
- Updating CIP Dashboard



Budget

Total
\$12,717,034

Spent to Date
\$5,032,371 = 39.6%



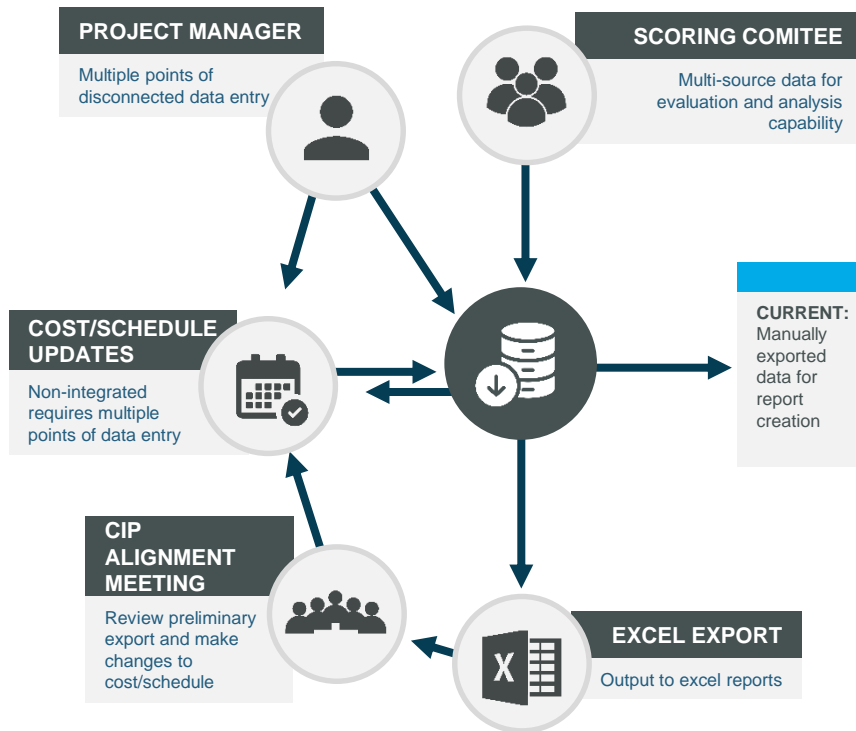
Schedule

Estimated 1,461 Calendar Days
432 Calendar Days since NTP
(as of August 21, 2020)

31.5 % Time Elapsed

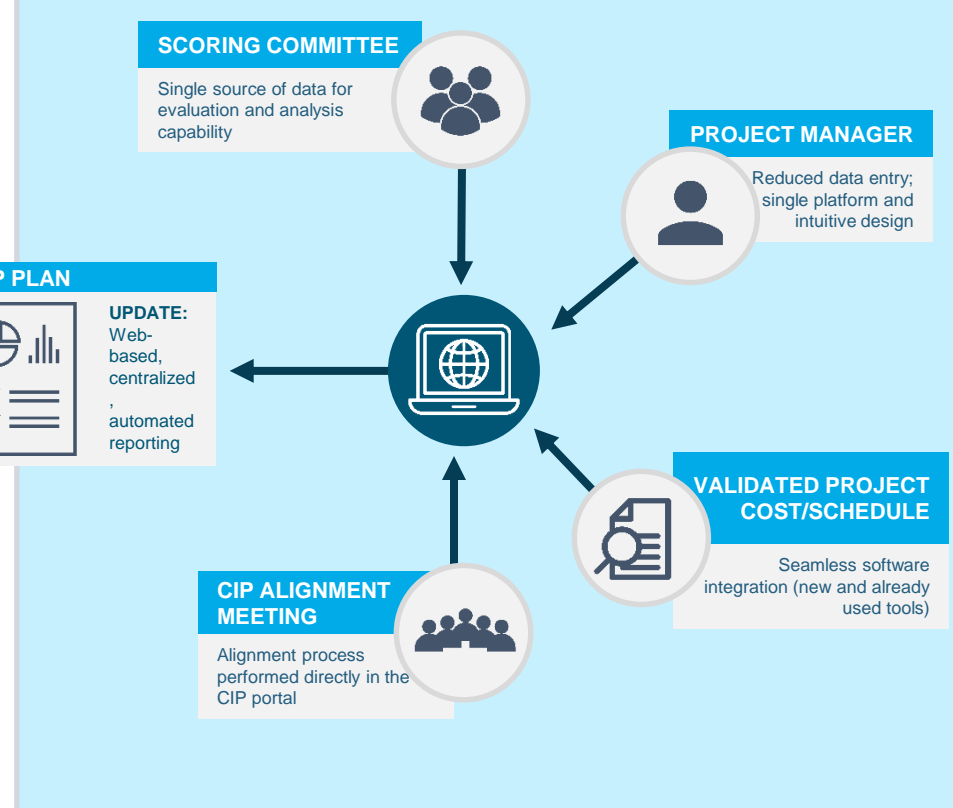
FROM THIS:

CURRENT DATABASE



TO THIS:

UPDATED CIP PLANNING PORTAL



Task 6: CIP Validation

Lump Sum Task



Key Progress

- Conducted meetings with all GLWA WW PMs to compile cost information for validation
- Developing Tech Memos and Final Report



Budget

Total
\$2,381,024

Spent to Date

\$1,330,314 = 55.9%



Schedule

Estimated 1,461 Calendar Days
460 Calendar Days since NTP
(as of August 21, 2020)

31.5 % Time Elapsed

Task 7 & 9: Staff Augmentation Time & Materials



Key Progress

- Assumed project management role for Wick Road Water Main Transmission project which is in active construction
- Continued to advance the Springwell WTP Header and Yard Piping Project
- Three (3) new PMs started work in past 3 weeks and two(2) more after Labor Day
- Front end document support



Budget

Total Task 7

\$31,959,764

Total Task 9

\$1,034,100

Spent to Date

\$2,562,915 = 8.1%

Spent to Date

\$11,160 = 1.1%



Schedule

Estimated 1,461 Calendar Days



460 Calendar Days since NTP
(as of August 21, 2020)

31.5 % Time Elapsed

Task 7 & 9: Status

Funding Source	Business Unit	Assigned	Percent Assigned	Task Totals
O & M	Water	\$ 160,000	12%	\$ 2,580,000
	Wastewater	\$ 1,230,000	88%	
	Subtotal	\$ 1,390,000	54%	
CIP	Water	\$ 5,850,000	42%	\$ 30,420,000
	Wastewater	\$ 7,920,000	58%	
	Subtotal	\$ 13,770,000	45%	
Combined	TOTAL	\$ 15,160,000	46%	\$ 33,000,000

Task 8: Advanced Facilities Planning (AFP)

Lump Sum Task



Key Progress

- A list of candidate projects has been developed and will be presented



Budget

Total

\$2,006,563

Spent to Date

\$75,786 = 3.8%



Schedule

Estimated 1,461 Calendar Days

460 Calendar Days since NTP
(as of August 21, 2020)

31.5 % Time Elapsed

Task 10: Enterprise-wide Energy Optimization and Sustainability Planning

Lump Sum Task



Key Progress

- Not started



Budget

Total

\$438,900

Spent to Date

\$0



Schedule

Estimated 1,461 Calendar Days

460 Calendar Days since NTP
(as of August 21, 2020)

31.5 % Time Elapsed

Questions





GLWA

Great Lakes Water Authority