

## **SAVE 2018 Value Summit**

### **Going Deeper in Value Creation - Sabine Neches Waterway Dredging**

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#### **Abstract**

The Sabine-Neches waterway is a critically important conduit for the Nation's energy independence and defense. Located on the on the Gulf Coast and separating Texas from Louisiana, the Sabine Neches waterway is the fourth largest port in the United States by tonnage. Last deepened in 1962, the waterway is planned to be deepened by 20% in the coming years to permit deeper-draft vessels to access the ports on the waterway, thereby increasing tonnage and stimulating the national and local economies. The deepening project is being executed in a partnership between the State of Texas' Sabine-Neches Navigation District and the US Army Corps of Engineers.

A Value Engineering study was conducted to find ways to improve the cost effectiveness of the project during the Pre-Construction Engineering and Design phase, before tendering processes begin. Framing of the VE study drove deep discussion of value drivers through the eyes of both the US Army Corps of Engineers and the waterway users represented by the Navigation District. This perspective was broader than a traditional cost-centric view, and added significant additional opportunities to the VE team for innovation for the improvement of Net Benefit.

The resulting recommendations included both traditional cost reduction ideas and those that dramatically accelerate user benefit capture. Several additional ideas push the conventional execution models for even more savings outside traditional contracting paradigms

This study highlighted the utility of broadening VE studies focus to include rigorous consideration of the benefits of projects beyond a pure cost-reduction perspective. The US Army Corps of Engineers has an opportunity to take this learning to other projects' VE efforts.