



***COST SAVINGS:
POST CONSTRUCTION DESIGN
REVIEW***

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March 2, 2020

Informational Update

OBJECTIVES & TAKEAWAYS



- **UTILIZING PROCESS IMPROVEMENT TOOLS TO PRODUCE COST SAVINGS WITHIN THE ORGANIZATION**

AGENDA



- **DESCRIBE THE POST CONSTRUCTION DESIGN REVIEW PROCESS**
- **HIGHLIGHT CONTINUOUS IMPROVEMENT EFFORTS**
 - **DEFINE, MEASURE, ANALYZE, IMPROVE & CONTROL(DMAIC)**
- **FINANCIAL BENEFITS**

POST CONSTRUCTION DESIGN REVIEW



Gas Construction Contractors:

- Construct gas facilities in accordance with a CPS Energy design sketch
- Document location and quantities of the gas facilities installed as well as any constructed changes to the design

CPS Energy Gas Inspectors:

- Provide Quality Assurance/Control for gas construction
- Review post construction designs provided by contractors

The post construction designs provided by the contractors are referred to as "Asbuilts". CPS Energy Inspectors meet with the contractors to review all "Asbuilts" provided for each project.

POST CONSTRUCTION DESIGN REVIEW



LEAN SIX SIGMA INITIATIVE



Improvement Approach:

- Kicked off Continuous Improvement team in Gas Solutions
- Focus on identifying opportunities to drive efficiencies within the post construction design review process
- Utilized the Define, Measure Analyze, Improve & Control(DMAIC) Methodology

Identified Opportunity:

- The process to perform the post construction design review was taking 3 hours per week for each inspector
- This duration was 2 hours higher than the expected time to perform this task
- This in turn resulted in complaints from the inspectors of needing more inspector resources

COST MANAGEMENT



BENEFITS

Performance Metric	Baseline	Achievement	% Change	Annualized Impact
Time Value	3 Hours a Week per Inspector(10)=\$2,790 total per week	1 Hour a Week per Inspector(10)=\$929 total per week	67% \$1,860 per week	\$96,703 Resource Budgeting Savings
Inspection Quantity	24 per Mo/Average per Inspector	34 per Mo/Average per Inspector	42%	120 More Inspections

Additional Benefits

- Realized 1040 hours of value-added time (equates to ½ of a full time employee)
- Improved post design quality by 60%
- Increased safety and compliance
- Improved construction duration time

The results of this initiative increased value added time that has been reinvested towards improving overall customer satisfaction by executing lean processes that foster efficiency in our daily operations.

SUMMARY

- **CONTINUE TO USE THE DMAIC MODEL TO IDENTIFY OTHER COST SAVINGS & EFFICIENCIES**



Thank You