

VIRGINIA DEPARTMENT OF TRANSPORTATION

LOCATION AND DESIGN DIVISION

INSTRUCTIONAL AND INFORMATIONAL MEMORANDUM

GENERAL SUBJECT: VALUE ENGINEERING (VE)	NUMBER: IIM-LD-180.2
SPECIFIC SUBJECT:	DATE: NOVEMBER 28, 1994
	SUPERSEDES: LD-93 (D) 180.1
DIVISION ADMINISTRATOR APPROVAL: <i>E. C. Cochran, Jr.</i>	

CURRENT REVISION

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- All previous revisions and errata have been incorporated into this memorandum.
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EFFECTIVE DATE

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- This memorandum is effective upon receipt.
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VALUE ENGINEERING (when required)

Policy

- Value Engineering is required on projects (all highway systems) with a total estimated construction cost of more than \$2 million at field inspection stage and other selected projects.
- A completed copy of the Initial Field Review and Scoping Report (Form LD-430) will be furnished to the Value Engineering Section of the Quality Assurance & Strategic Management Division.

- Upon receipt of Form LD-430, the Value Engineering Section of the Management Services Division will review and submit the project to the Value Engineering Advisory Committee for their consideration as a VE review candidate.
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Definition

- Value Engineering is defined as the systematic application of recognized analytical techniques by a multi-disciplined team that:
 - Identifies the function of a product or service.
 - Establishes a worth for that function.
 - Generates alternatives through the use of creative thinking.
 - Provides the necessary functions at the lowest overall cost.
 - Develops recommendations as a result of the job plan followed during a review.
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VE Team

- The Value Engineering section will assemble the required review team and conduct the review prior to field inspection.
 - A copy of the field inspection notification is to be sent to the Management Services Division by the Project Manager advising of the pending field inspection.
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Review

- Prior to the review, the VE Coordinator will send a request to the Project Manager outlining the necessary materials for the review.
- The Value Engineering Team shall review the project to determine if the required service or necessary function is being provided at the lowest overall cost.
- In all instances, the required service or necessary function will be achieved at the lowest possible life-cycle cost consistent with requirements for performance, maintenance, safety, and aesthetics.
- The analysis is to be performed promptly by the team and recommendations provided at the Field Inspection stage to the appropriate District Administrator (and Resident Engineer) and appropriate Assistant Location and Design Engineer.

Proposal Evaluation

- The Location and Design Engineer will review the Team's recommendations, and those from the District Administrator and Assistant location and Design Engineer, and determine the implementation potential of the Value Engineering proposals.
- The Project Manager will verify that accepted VE recommendations have been incorporated into the project by initialing the accepted recommendations on a copy of the Chief Engineer's response letter/Project Summary Information Form and forwarding it to the VE Regional Coordinator.
- Any savings should be noted on the Final Scoping Certification (Form LD-404).