

## **CHAPTER 13 - VALUE ENGINEERING REQUIREMENTS**

### **13.1 GENERAL**

13.1.1 Value Engineering is a systematic method used by a multi-disciplined team to improve the value of a project, product or service. The VE team strives to optimize the use of allocated funds without reducing safety, quality, or performance by strictly following the VE Job Plan found in procedure 625-030-002.

13.1.2 In the "1970 Highway Act", the U.S. Congress authorized the Federal Secretary of Transportation to require VE on any federal-aid highway project. Congress extended the Federal VE role with the "National Highway Systems Act of 1995." This Act included a provision requiring the Federal Secretary of Transportation to "establish a program to require states to carry out a value engineering analysis for all projects on the National Highway System with an estimated total cost of \$25 million or more." FHWA published regulation 23 CFR Part 627 establishing this program in 1997.

### **13.2 REQUIRED PROJECTS**

All projects with an estimated cost of \$25 million or more shall have a minimum of one VE study completed during project development. This estimated cost shall include all costs related to the project, including but not limited to: design, right-of-way, construction, and administrative costs. The VE study shall be performed during one of the following phases of project development: Planning, Project Development & Environmental (PD&E) or Engineering Design. For Design-Build Projects, the VE study shall be completed before the release of the Request for Proposal (RFP) Document. The greatest potential for improvement is during the Planning or PD&E review periods; therefore, the Department should try to schedule studies during these phases of project development.

### **13.3 ADDITIONAL PROJECTS**

The Districts have the flexibility to study additional projects below the mandatory \$25 million cost threshold. Those projects being considered should include:

- A. Projects that significantly exceed initial cost estimates
- B. Complex projects
- C. Projects requested for VE by a Department Project Manager

- D. Projects with high right-of-way costs
- E. Projects and processes with unusual problems

## **13.4 APPENDICES**

### 13.4.1 Value Engineering Program Procedure (625-030-002f)

<http://www2.dot.state.fl.us/proceduraldocuments/procedures/bin/625030002.pdf>

### 13.4.2 Value Engineering Change Proposal (625-030-005c)

<http://www2.dot.state.fl.us/proceduraldocuments/procedures/bin/625030005.pdf>

### 13.4.3 Value Engineering - Project Management Web Page

<http://www.dot.state.fl.us/projectmanagementoffice/valueeng/default.htm>