

APPENDIX B

RESPONSIBILITIES OF THE SOUTH PACIFIC DIVISION VALUE ENGINEER

1. Develop and sustain a Value Engineering program within the South Pacific Division.
2. Prepare and submit yearly work plans and quarterly progress reports to HQUSACE.
3. Serve as the value engineering technical expert on the South Pacific Division staff.
4. Brief the Commander and senior staff on the status of the value engineering program and provide recommendations for improvement.
5. Facilitate value engineering training within the South Pacific Division.
6. Monitor the requirements for, the administration of and the quality of in-house and A-E contracts to be used for formal value engineering studies.

APPENDIX C

RESPONSIBILITIES OF THE DISTRICT VALUE ENGINEER

1. Be a Special Assistant to the Commander and direct all aspects of the VE Program.
2. Develop and sustain an active and productive VE Program within the framework of existing applicable regulations.
3. Prepare annual work plan for value engineering studies. Calculate fiscal year goals and savings. Prepare and submit quarterly reports to reach division not later than 7 days after the end of each quarter.
4. Maintain a training program as required to assure that appropriate Government personnel are familiar with the principles and application of VE.
5. Maintain current attendance data of all district technical staff that have attended a 40-hour VE workshops and request all technical staff involved in project management, planning, design, and construction, GS-09 and above, to attend a 40-hour VE workshop within three (3) years of hiring.
6. Secure funding from Programs and Project Management Division and Construction Operations Division and manage funds for the various needs of the VE Program and VE related activities such as studies, Value Engineering Proposals and Value Engineering Change Proposals.
7. Screen VE proposals and provide for their review by the appropriate reviewing authority.
8. Promote active contractor participation throughout District boundaries and monitor the processing of construction contractor submitted VECP's.
9. Have Cost Engineering assist in the validation of all VE savings in excess of \$100,000. An audit will be requested, for any savings in excess of \$1,000,000, by the Internal Review Office, when ever possible.
10. Prepare ENG Form 4607-R (Value/Management Improvement Action), to report the validation of all approved savings upon construction award, and forward the completed form to higher headquarters for savings amounts of \$250,000 or greater.
12. Recommend adjustment of the District's VE goals, if necessary, during the fiscal year.

APPENDIX D

VALUE ENGINEERING GOALS

1. Study Goals. Goal is to study 100% of items requiring a study.
 - a. All Civil Works, Military Construction Army and Environmental projects with a construction cost of greater than \$2 million dollars require a value engineering study.
 - b. Civil Works O&M projects, acquisitions, supply, and service expenditures greater than \$1 million require a value engineering study.
2. Monetary Goals
 - a. Civil Works
 - (1) Construction General projects: 6% of placement
 - (2) Civil Works O&M: 0.8% of all projects, acquisition, supply and service expenditures.
 - b. Military Construction Army, 6% of construction contract awards, based upon the programmed amount.
 - c. Environmental projects: 6% of remedial action contract awards.
3. Training. Fifteen percent of the eligible untrained workforce should be trained each year.
4. Return on Investment: Goal is for savings after deductions for overhead, administration and direct cost to be 10 to 1.

APPENDIX E

VALUE ENGINEERING CHANGE PROPOSALS SUBMITTED BY CONTRACTORS AND
VALUE ENGINEERING PROPOSALS SUBMITTED BY CORPS EMPLOYEES

1. Value Engineering Change Proposals (VECP) Submitted By Contractors

a. Federal Acquisition Regulation, Parts 48 and 52 require contractors be given the opportunity to submit Value Engineering Change Proposals.

b. Districts shall develop procedures to encourage contractors to submit VECPs, evaluate and implement VECPs.

2. Value Engineering Proposals (VEP) Submitted by Corps Employees

a. Any division or district employee or group of employees may submit/initiate a VEP, which offers an alternative design solution or improved construction method that will result in a net savings to the Government and/or the project sponsor. The proposal must be applicable for a particular project and must be a detailed, written proposal, which is fully developed using systematic procedures and established Value engineering techniques.

b. VEP's shall include the following:

(1) A functional analysis of the design and a detailed description of the proposal indicating the differences between the original design and the proposed design.

(2) An analysis of the design that must be changed if the proposal is approved.

(3) A separate, detailed cost estimate for both the affected portion of the original design and for the proposed design. The identified savings should also be reduced by any estimated cost related to review, redesign, implementation and/or construction modification.

(4) If possible identify any other project that incorporated a similar VEP or design/construction solution.

(5) The proposal must be complete to the degree that it will be a "stand-alone" document, with as much detail as possible.

(6) SPD Form 183-R, Value Engineering Proposal should be used to submit and process and employee VEP. . The Value Engineer will provide this form as well as any assistance needed to prepare the VEP.

- c. All VEP's must be prepared on the employee's or group of employees' own time and submitted to the Value Engineer.
- d. The Value Engineer shall ensure that the VEP is complete and begin the review process. The proposal will be reviewed to determine acceptability.
- e. All valid VEP's shall be processed and evaluated regardless of the job responsibility of the employee(s) submitting the VEP, and regardless of whether it may be considered part of the employee(s) assigned duties. If the proposal is approved for implementation, the employee's immediate supervisor will make the determination as to whether the proposal is job related or not job related.
- f. The Value Engineer will prepare a memorandum to the employee(s) indicating the approval or disapproval of the VEP. If the proposal is not approved or is not implemented for any reason, a formal written response will be provided by Engineering Division for attachment along with the Value Engineer's correspondence which fully explains to the employee(s) why the proposal was not approved or implemented.
- g. Acknowledgment (Awards) for VEP's are processed by using the Incentive Awards Program (IAP) as set forth in AR 672-20 (Reference h).
- h. The actual savings to the Government, resulting from an approved and implemented VEP, does not occur until the project is awarded for construction. If the project is already under construction, savings occur when a modification to the contract is signed which addresses the change. VE awards cannot be issued until the VE savings to the Government have been realized. However, to provide timely recognition to employees involved in submitted, approved, and implemented VEP's during design, the award nominations should commence upon receipt of a notice that the VEP change has been incorporated into the design.