

## VE Guidance No. 1 (VE Study Waivers)

The purpose of this report is to provide guidance to addressees on subject. My thrust is that Division has limited bounds in granting waivers.

First, Corps policy is that civil works, and Army and Army Family Housing appropriated projects at various funding levels (\$2 million for construction and \$1 million for civil works O&M) require value engineering studies. Waivers may be granted in lieu of a study. The only exception is civil works projects authorized at \$10 million or higher. A value engineering study is mandated by statute for these projects. No waivers can be granted in this instance.

Process for granting the waiver is initiated under the signature of the District Commander and granted under the signature of the Division Commander. This is per HQUSACE policy and Division Regulation 11-1-3, 27 September 2000. Further to quote from the Division regulation, "...The decision to seek a waiver should be made by the Project Manager in consultation with the Project Delivery Team and the District Value Engineer. The project manager shall provide a rationale for not performing the study and prepare a memorandum for the District Commander's signature requesting the waiver from the Division Commander..."

Per HQUSACE policy, "...waivers should be limited to projects which duplicate another on which a VE Study has been performed, and on which the resultant cost is comparable to private industry..." Per the Division regulation, "...A waiver should be requested where the project is of such a nature that it is unlikely that a value engineering study would be able to produce savings..." So you see my hands are tied here at Division is recommending Division Commander grant a waiver.