

DEPARTMENT OF THE ARMY
St. Louis District, Corps of Engineers
210 North 12th Street
St. Louis, Missouri 63101

DR 11-1-21

LMSED

Regulation
No. 11-1-21

1 August 1980

Army Programs
VALUE ENGINEERING (VE)

1. Purpose. This regulation describes the Value Engineering Program.
2. Applicability. The Value Engineering Program applies to all elements of the District.
3. References.
 - a. AR 5-4.
 - b. OCE Supplement 1 to AR 5-4.
 - c. EP 11-1-3.
 - d. ER 37-2-10.
4. Definition. Value Engineering is an organized effort directed at analyzing the function(s) of systems, equipment and supplies for the purpose of achieving the required function at the lowest overall cost consistent with requirements for performance, reliability, and maintainability.
5. Policy. Value Engineering will be actively applied to all Civil Works activities and in the performance of work for others. The Program will be given full and continuing support throughout the District.
 - a. Value Engineering will be developed as a permanent and integral part of the District's activities.
 - b. Contractor participation in the Value Engineering Program will be stressed and openly solicited.
 - c. Value Engineering Methodology will be applied on all occasions to achieve consideration of the maximum number of alternates for maximum cost economy.

This regulation supersedes DR 11-1-21, 18 August 1978

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6. Responsibilities.

a. The Value Engineering Officer (VEO) is responsible for maintaining an active and productive VE Program conforming to the requirements of existing applicable regulations. Responsibilities are described in EP 11-1-3; functions are as contained in OCE Supplement 1 to AR 5-4.

b. The following are the general responsibilities of the various elements of the District in support of the VE Program:

(1) Office of the Comptroller. Finance and Accounting Branch will record all costs of VE studies and distribute such costs in relation to savings reported.

(2) Chief of Technical Divisions.

(a) Provide staff assistance to the VE Program within their respective Divisions.

(b) Provide personnel for assignment to VE Study groups when requested by the VEO.

(3) Resident Engineers and Project Engineers.

(a) Establish and maintain active Value Engineering Programs in their respective offices.

(b) Create and maintain an awareness of the importance of the VE Program among contractor personnel. To this end, VE will be discussed at all pre-work conferences.

(c) Provide personnel for assignments to VE Study groups when requested by the VEO.

(4) Resident Audit Office will review for validation all in-house and contractor initiated actions having net savings in excess of \$250,000.

(5) District Counsel will provide legal advice as may be required in execution of the VE Program.

7. Procedures.

a. General. Value Engineering actions are of two categories:

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(1) In-house studies of items, systems, or areas for which a Value Engineering study may be beneficial.

(2) Value Engineering Change Proposals submitted by contractors in response to the Value Engineering Incentives Clause in their contracts.

b. In-house Studies.

(1) The VEO will designate specific items, systems, or areas to be studied. Study areas may be submitted by any individual at any time or to fulfill quarterly requests made by the VEO. Ideas will be submitted to the VEO in original plus one (1) carbon copy of DA Form 2496. Individuals with a definite solution may participate in the VE Program and simultaneously in the Suggestion Program as outlined in paragraph 9 below.

(2) An in-house study is either a team effort or individual effort at the discretion of the VEO.

(3) The study does not necessarily require the direct participation of the VEO; he may serve in an advisory capacity to the team or the individual performing the study.

(5) It will follow the methodology outlined in EP 11-1-3.

(6) It will result in recommendations which are to be reported to the VEO.

(7) Studies with merit will be forwarded to the Chief of the Technical Division having primary responsibility for the action for approval.

(8) Approved studies will be signed by the Chief of the Engineering Division.

(9) Approved studies will be implemented by the affected Technical Division(s).

c. Value Engineering Change Proposals (VECP).

(1) The flow chart shown as Appendix I will be followed for the processing of VECPS.

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(2) Any prior negotiations with the contractor regarding the equitable amount of savings will be conducted by the appropriate Technical Division and the VEO. An accepted proposal must always result in a contract modification reflecting the changes.

(3) If the VE proposal is rejected, the letter of rejection shall contain detailed reasons for the negative action.

(4) If there is a disagreement between Technical Division(s) and/or the VEO, the findings and recommendations will be forwarded to the District Engineer for final determination.

8. Reports. The reports required by reference 3b are the responsibility of the VEO. An information copy of the reports will be furnished LMVD.

9. Relationship of Value Engineering and the District Award Program.

a. Individuals or groups may participate simultaneously in both the VE and Award Programs as discussed below. Eligibility and the exact amount of the award will be determined by the IAC after considering relevant data furnished by the VEO, the individual's supervisor and the individual, as necessary, and in accordance with DR 672-1-451.

(1) Value Engineering Workbooks and/or Proposal Summary Books may be submitted to the Incentive Award Committee as inclosures to a suggestion, DA Form 1045. Inclosures must indicate that the VE methodology was followed to qualify for reporting as VE; if however the VE criteria are not met, the idea may still qualify for a suggestion award. The workbooks will be forwarded to the VEO who will process the study through to adoption or rejection.

(2) Individuals submitting a solution that is not the adopted solution but leads to the adopted solution may be awarded a monetary award as determined by the IAC after considering all the relevant data.

b. Members of VE Team Study. Individuals who serve as members of a VE team do so on an assigned basis and are not normally eligible for a cash award.

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c. Upon the completion of each fiscal year, the VEO will review the actions validated for that fiscal year and shall nominate those individuals responsible for the actions for Certificates of Achievement where a prior related award was not given.

1 Incl
Appendix I, Flow Chart



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