

**ENGINEERING DIRECTIVES AND STANDARDS**

Volume : I                      Revision Date : 03/05/2013  
Chapter : 1                      Subject : VALUE ENGINEERING  
Section : 1  
Directive : 18

**1. PURPOSE:**

The purpose of this Directive is to establish a policy on Value Engineering (VE) for LA DOTD.

**2. SCOPE:**

LA DOTD hereby establishes a Value Engineering program that will analyze plans, specifications and estimates of proposed projects for safety, product improvement and cost reduction (Stage 3). In addition, Value Planning should be utilized in Stage 0 and Stage 1. Value Engineering Change Proposals (VECP'S) will be allowed during Stage 5 (Construction).

**3. OBJECTIVE:**

To provide maximum benefit by employing the VE process as early as possible without delaying project progression and to provide a significant ratio of savings to the cost of the VE study or substantial improvements in the program's effectiveness.

**4. POLICY**

The Department shall perform Value Engineering studies on projects that are on the National Highway System with a total cost (i.e. including r/w, utilities and construction) of \$50 million or more (\$40 million or more for bridge projects). This threshold will meet requirements mandated by the FHWA. Additional candidates for VE studies will be decided on a case by-case basis. Additional evaluation criteria should be functional class, design year traffic counts, multiple phases of construction, new alignment, right-of-way and utility relocation.

The Value Engineering Director (VED) will determine at the conclusion of Stage 1, from the project scope and budget, whether the project is a candidate for a formal VE study. Once the project is established as a candidate, the VED will notify the Chief Engineer in writing of his/her recommendations. With the Chief Engineer's approval for the VE analysis to proceed, the VED will identify the appropriate sections for participation. The Department will adopt a policy for Value Engineering training, implementation of findings and dissemination of results. The Department will provide the FHWA division office with a copy of any VE study completed on Federal-aid projects as soon as possible after the completion of the study.

**5. RESPONSIBILITY:**

The Department acknowledges that not all projects will be candidates for VE. The earliest stages provide the forum for the initial investigation to begin.

The VED will address the VE process prior to the Pre-Design Conference. The above policy should be consulted when formulating a recommendation to the Chief Engineer.

The VE team makeup for the study shall be from sections chosen by the VED, with approval of the Chief Engineer, based on project type. The recommended team members will be selected by the VED, with approval of the various section heads. Each team member shall have been trained in the principles of VE. Additional team members could be selected from the local Metropolitan Planning Organization (MPO) and the Federal Highway Administration (FHWA). The VED shall set meeting times and location. Project managers, nor the design consultants (if applicable), will be study team members. A VE study facilitator will be assigned by the VED from in-house staff or from outside sources. Outside facilitators shall be Certified Value Specialist (CVS). The VED, with the help of the project manager, will be responsible for providing team members with necessary documents for the study. The VED will be responsible for scheduling and presenting the analysis results to the Chief Engineer. The project manager and design consultant will be invited to the presentation.

Upon completion of the study, the VED (with input from the District Administrator, project manager, Road/Bridge Design Administrators and other affected sections) will formulate recommendations for the Chief Engineer's approval of the VE proposals to be implemented. These decisions should be made after the presentation or no later than 30 days following the presentation. The project manager will be responsible for implementing the approved changes into the plans.

Training of LADOTD staff in the principles of Value Engineering will be done on an as needed basis utilizing the National Highway Institute (NHI) training.

## **6. RECOMMENDATIONS:**

The Value Engineering program will be implemented throughout the planning, environmental and design sections.

## **7. OTHER ISSUANCES AFFECTED:**

All directives, memoranda or instructions issued prior to this directive which are in conflict are rescinded.

RICHARD L. SAVOIE  
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