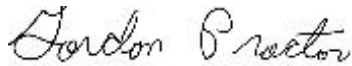


Policy Number No. : 27-008(P)  
Effective: April 1, 2003  
Responsible Division: Construction Management



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Gordon Proctor  
Director

## VALUE ENGINEERING IN CONSTRUCTION

### **POLICY STATEMENT:**

This policy establishes Value Engineering incentives during the construction phase of a project. The Value Engineering incentive in construction allows the Contractor to submit Value Engineering Change Proposals which lower the project cost or offer a time savings in construction without altering the essential functions and characteristics of the project. If the proposal is accepted by the Department, the Contractor and Department share equally in the cost savings.

### **AUTHORITY:**

1. 23 U.S.C. 106(d), 106(e), 106(f), 302, 307, and 315; 49 CFR 18  
Source: 62 FR 6868, February 14, 1997, unless otherwise noted.
2. Section 5525.01 of the Ohio Revised Code

### **REFERENCES:**

NHI Course No. 13405, Value Engineering for Highways; USDOT; FHWA: Publication No. FHWA-HI-88-047 and V.E. Study Workbook; Publication No. FHWA-HI-88-051.

Federal Highway Administration VE Web Site: [www.fhwa.dot.gov/ve/index.htm](http://www.fhwa.dot.gov/ve/index.htm)

### **SCOPE:**

All Districts, Divisions and Offices of the Ohio Department of Transportation.

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### **BACKGROUND:**

SB 287 passed by the Ohio General Assembly in 1996 to amend ORC Section 5525.01 allows the Contractor to submit Value Engineering Change Proposals which reduce the project cost or save time without impairing any of the essential functions or characteristics of the project.

### **TRAINING:**

The Division of Construction Management will provide training for District and Central Office personnel to implement the policy and standard procedure.

### **FISCAL ANALYSIS:**

Value Engineering Change Proposals have no initial cost for the Department since the proposal originates with the Contractor. If the Department determines that the savings from the proposal do not justify the cost to review and process the proposal, the VECP will be rejected. The savings from accepted VECP's will be shared equally with the Contractor, allowing each party to benefit from the proposal.