



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, DC 20314-1000

CECW-CE

24 May 2017

COVE POLICY LETTER: 2017-01, VE in Planning

SUBJECT: Value Engineering in Civil Works Planning

1. Memorandum "Implementation Guidance for Section 1004 of the Water Resources Reform and Development Act (WRRDA) of 2014, Removal of Duplicative Analysis" was issued on 27 April 2017 (attached), removing the mandatory policy for "stand-alone" Value Studies in the planning phase.
2. If/when Value Engineering (VE) application is determined to be beneficial, those portions of the Value Methodology needed may be "integrated" into the Planning process as appropriate (initial charrette, identification of measures, screening of alternatives, developing risk register, TSP review, etc.).
3. Value Engineering remains a requirement under 41 U.S.C. 1711 and OMB Cir. A-131 and will continue to be applied per ER 11-1-321 during engineering, design, acquisition; and specifically on Post Authorization Change Reports or equivalent decision documents (i.e., GRR, LRR, etc.).
4. For projects, programs & procurements with a total cost of \$2 million or greater, the appointed District Value Officers (VEO's) shall continue to screen, assess, and document the requirement in the Value Management Plan (VMP) at the Project Initiation/Development Phase (per PMBP Ref 8023G). This allows the VEO's to focus execution of Value Studies on those few projects with the most opportunity for improvement; while "addressing" the requirement on the rest within the VMP. The ER 11-1-321 (Change 1) is currently under revision and policy will reflect the contents of this COVE.
5. Any questions should be directed to the undersigned at (202) 761-5533, or for more information visit the USACE VE website at <http://www.usace.army.mil/ValueEngineering.aspx>

A handwritten signature in black ink, appearing to read "Jeffery T. Hooghouse".

Encl.

JEFFERY T. HOOGHUSE, AIA, DBIA, CVS
Chief, Office of Value Engineering &
Senior Accountable Official (SAO) for VE



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APR 27 2017

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS

SUBJECT: Implementation Guidance for Section 1004 of the Water Resources Reform and Development Act (WRRDA) of 2014, Removal of Duplicative Analysis

1. Section 1004, Removal of Duplicative Analysis, of WRRDA 2014 repeals Section 911, Review of Cost Effectiveness of Design, of the Water Resources Development Act (WRDA) of 1986 (33 U.S.C. 2288). Section 911 required during the design of each water resources project with a total cost in excess of \$10,000,000, a review of the cost effectiveness of such design employing cost control techniques which will ensure the project is designed in the most cost-effective way. Section 1004 of WRRDA 2016 is enclosed.
2. The requirement for formal Value Engineering Studies for water resources planning (Feasibility) studies is rescinded.
3. During engineering, design and acquisition, Value Engineering remains a requirement under 41 U.S.C. 1711 and OMB Cir. A-131 and will continue to be applied per ER 11-1-321.
4. This guidance is effective immediately and will be incorporated into ER 11-1-321, ER 1110-2-1150, 1105-2-100, and any other applicable regulations upon their next revision.
5. Questions regarding this implementation guidance should be directed to Ada Benavides, Senior Policy Advisor, Planning and Policy Division, at (202) 761-0415, Ada.Benavides@usace.army.mil.

Encl

A handwritten signature in black ink, appearing to read "J. Dalton".

JAMES C. DALTON, P.E.
Director of Civil Works

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