



US Army Corps of Engineers  
Headquarters

Information Paper

October 20, 2014

**SUBJECT: U.S. ARMY CORPS OF ENGINEERS (USACE)  
VALUE ENGINEERING (VE) PROGRAM**

1. The Office of Federal Procurement Policy Act (41 U.S.C. 432, updated by 41 U.S.C. 1711, Jan 2011), requires each executive agency to establish and maintain cost-effective Value Engineering procedures and processes. The Office of Management and Budget (OMB) Circular A-131 requires Federal agencies to apply VE procedures to all projects with estimated costs of \$2 million or more.
2. The USACE VE Program has been a leader in applying the Value Engineering Methodology to construction projects since 1964, solidly demonstrating Corps cost effectiveness. The program has resulted in construction of over \$8.2 billion in additional facilities, without additional funds requests.
3. The basic thrusts of the program are to increase project value by proactively searching for and resolving issues through very open, short-term workshops, and to stretch precious taxpayer resources by providing the required function(s), most amenities, and the highest quality project(s), at the lowest life cycle cost.
4. The Corps has used Value Engineering: programmatically to create and implement transformation in how the Corps executes all Military and Civil Works Programs workload; to shorten schedules significantly, and provide quality projects with reduced budgets; to ensure full project coordination with all stakeholders; to assist in preparing project scopes, negotiating environmental contracts, planning optimization, and project review; to provide planning assistance to states/communities; and to assist in program review. The results shown in paragraph 6 below are simply documented, auditable byproducts, used to build and/or enhance authorized projects or reduce reprogramming actions.
5. The Corps regularly helps others initiate VE programs by advising headquarters offices, exporting our established training workshop, and by furnishing appropriate Certified Value Specialist leadership and/or teams (consultants and in-house) to perform Value Engineering Workshops.
6. Through 30 September 2014, the Corps invested \$8.2 million in the program, applied VE to 565 projects, and had a return on investment of over \$56 to every \$1 spent. The following are ***NET*** USACE VE savings and cost avoidance for the last five fiscal years as reported to the Departments of Army, Defense, and OMB:

<u>YEAR</u>	<u>MILITARY</u>	<u>CIVIL WORKS</u>	<u>TOTAL</u>
FY 10	\$ 195,323,000	\$ 218,850,000	\$ 414,173,000
FY 11	\$ 168,208,000	\$ 180,835,000	\$ 349,043,000
FY 12	\$ 142,470,000	\$ 231,170,000	\$ 373,640,000
FY 13	\$ 167,923,000	\$ 220,902,000	\$ 388,825,000
FY 14	\$ 160,686,000	\$ 297,352,000	\$ 458,039,000

**Point of Contact:** Mr. Jeffery T Hooghouse, AIA, DBIA, CVS  
Chief Value Officer  
Headquarters, US Army Corps of Engineers (CECW-CE)  
202-761-5533 [jeffery.t.hooghouse@usace.army.mil](mailto:jeffery.t.hooghouse@usace.army.mil)

## **POLICY LINKS:**

Pub. L. 111-350, §3, Jan. 4, 2011, [Page 124 Stat. 3718] Sec. 1711. Value Engineering

<http://www.gpo.gov/fdsys/pkg/PLAW-111publ350/html/PLAW-111publ350.htm>

41 USC 1711 - Value engineering

<http://www.gpo.gov/fdsys/granule/USCODE-2010-title41/USCODE-2010-title41-subtitleI-divsnB-chap17-sec1711/content-detail.html>

Pub. L. 104-106, Office of Federal Procurement Policy Act, Section 5122

<http://www.dol.gov/ocfo/media/regs/ITMRA.pdf>

41 USC 432 - Sec. 432. Value engineering

<http://www.gpo.gov/fdsys/pkg/USCODE-2006-title41/pdf/USCODE-2006-title41-chap7-sec432.pdf>

Office of Management and Budget (OMB) Circular A-131

<http://www.whitehouse.gov/sites/default/files/omb/assets/OMB/circulars/a131/a131-122013.pdf>

ER 11-1-321 (Change 1), Army Value Engineering

[http://www.usace.army.mil/Portals/2/docs/Value%20Engineering/ER\\_11-1-321-](http://www.usace.army.mil/Portals/2/docs/Value%20Engineering/ER_11-1-321-Change1_Army_Program-VE.pdf)

[Change1\\_Army\\_Program-VE.pdf](http://www.usace.army.mil/Portals/2/docs/Value%20Engineering/ER_11-1-321-Change1_Army_Program-VE.pdf)

## **OTHER RECENT POLICY DOCUMENTS:**

OSD (Kendall Memo), Value Engineering (VE) and Obtaining Greater Efficiency and Productivity in Defense Spending, 06 DEC 2011

[http://www.usace.army.mil/Portals/2/docs/Value%20Engineering/VEandEfficienciesMemo\\_Signed6Dec2011.pdf](http://www.usace.army.mil/Portals/2/docs/Value%20Engineering/VEandEfficienciesMemo_Signed6Dec2011.pdf)

Chief of Engineers (Commander's Intent), Greater Efficiency and Productivity through Value Engineering (VE), 25 APR 2012)

<http://www.usace.army.mil/Portals/2/docs/Value%20Engineering/Chief%20of%20Engineers%20Policy%20Letter%20on%20VE%20FY12.pdf>

USACE Value Engineering Website

<http://www.usace.army.mil/ValueEngineering.aspx>