US Army Corps of Engineers®
Headquarters

COVE POLICY LETTER # 2022-03 **August 23, 2022**

SUBJECT: USACE Value Standard

1) **PURPOSE:** This COVE provides a standalone reference for the USACE Value Standard. Alongside COVE 2022-04, these COVEs replace COVE 2015-02 in its entirety.

2) **BACKGROUND:** COVE 2015-02 released the requirements for the USACE Value Standard and the required use of the Evaluation Tool. As stated in that policy, the USACE Value Standard and Evaluation Tool "were developed to establish the expectations of what 'must' be accomplished in order to meet and demonstrate compliance with statutory and Federal requirements for VE." The Evaluation Tool is now covered in COVE 2022-04, Implementation of the USACE Value Standard.

3) **POLICY:** The USACE Value Standard represents one of the guiding principles of the USACE Value Program. The minimum requirements outlined in this COVE must be accomplished to qualify as a Value Study.

4) **INTENT:** The intent of the USACE Value Standard (hereafter referred to as the "Standard") is to enhance the application of industry standards for the use of Value Engineering (VE) within USACE. This Standard establishes the expectations of what must be accomplished to meet the expectations and statutory intent of VE. The Value Engineering industry has primarily defined VE with ASTM E1699. The Standard builds on ASTM E1699 and provides additional requirements specific to the USACE Value Program. The Standard is applicable to programs, projects, products, and processes; and for simplification, this Standard will use the term "project" to refer to all four.

   The Standard includes:

   1. Use of the accepted standard practice for applying the Value Methodology which is, by definition, Value Engineering
   2. Application of the process in an intensive workshop format
   3. Use of a multidisciplinary team of subject matter experts (SMEs)
   4. Facilitation of the process by a qualified team leader experience/certified in the application of the Value Methodology (i.e., Certified Value Specialist®)
   5. Focus on expanding the solution-set, analyzing unique functions, and supplementing the knowledgebase of the project delivery team (PDT)

   ASTM E1699 defines the six-phase Job Plan (Information, Function Analysis, Creativity, Evaluation, Development, and Presentation phases), the requirement for a multidisciplinary team led by a qualified team leader with expertise in the application of this process, and in a workshop environment. The Standard recognizes, accepts, and adopts industry standards as being essential components

that create the framework for success; however, what is accomplished within this framework is what is truly most important. Merely stepping through the Job Plan does not guarantee the desired outcome is achieved. The intent of this supplement to the industry standards is to improve the application, consistency, and outcome of the VE efforts conducted for USACE work.

VE is unique from other existing processes, tools, and techniques used in project development or improvement. The overall objective of VE is to make projects better specifically by challenging and testing the proposed solutions. The term challenge, in this context, is not intended in any way to criticize the proposed solutions but rather to push against the boundaries or project parameters looking for opportunities to improve the value of the project.

To better realize this objective, the Standard puts greater emphasis on the following functions that must be accomplished within the application of the Job Plan:

Expand Solution-Set

Expand the solution-set to identify alternatives not previously considered that may optimize the efficiency and effectiveness of the solution.

- Foster an environment to challenge constraints, criteria, and decisions
- Exploit misperceptions, misinformation, misunderstandings, disconnects, assumptions, and/or perceived constraints to identify targets of opportunity

Analyze Unique Functions

Analyze unique functions to specifically understand the rationale of the proposed solution and validate that it achieves the project objectives in the most efficient and effective manner. Each project will be unique and therefore have its own unique functions.

- Extract knowledge to create a common understanding of the required project functions
- Distill the knowledge obtained into basic elements that define “what the project must do” rather than how it is being done (Function Analysis)
- Force a collaborative dialogue by encouraging multidisciplinary interaction with thought-provoking questions to stimulate creative thinking

Supplement Knowledgebase

Supplement the PDT with additional knowledge and expertise in the subject matter to enrich the knowledgebase.

- Infuse expertise to achieve different perspectives on the subject or to scrutinize areas that may not have been thoroughly explored previously
- Expand knowledge with the addition of expertise not included on the PDT

These are crucial functions that ***MUST*** occur to achieve successful results. It is also very important to understand the Job Plan is a sequential process that builds off the previous step, where Function Analysis is a common thread that ties the entire job plan together. Each step provides a unique and critical component that contributes

to the success of the overall outcome. Although the steps are clearly listed within ASTM E1699, it is important to further expand USACE expectations within each step. These expectations will be further defined within COVE 2022-04, Implementation of the USACE Value Standard.

5) **PRODUCT LOCATION:** The historical context behind the Standard resides on the SharePoint Site at the following link:

   https://cops.usace.army.mil/sites/VE/Portal/Policy%20%20Guidance/Forms/AllItems.aspx?RootFolder=%2Fsites%2FVE%2FPortal%2FPolicy%20%20Guidance%2FCOVE%20Policy%20Documents%2FArchived%2FCOVE%202015%2D02%20USACE%20VE%20Standard&FolderCTID=0x012000DFC80A865EE2F14FA2276C3A07E38EC1&View={6FD993FC-369E-4896-A7B1-DE58B99FF9EF}

6) **IMPLEMENTATION:** Effective immediately, Value Officers shall use this guidance to ensure compliance with federal Value Engineering requirements. Refer to COVE 2022-04 for specific guidance on the implementation of this Standard. Any questions should be directed to the OVx at CDL-All-OVx@usace.army.mil.

Jeffery T Hooghouse, RA, DBIA, CVS, FSAVE, PMP
Chief Value Officer (CVO) & SAO for VE
US Army Corps of Engineers, HQ

HOOGHOUSE.JEFFREY.TODD.1232249273

Digitally signed by HOOGHOUSE.JEFFREY.TODD.1232249273
Date: 2022.08.23 12:49:28 -04'00'