



**DEPARTMENT OF THE ARMY**  
**U.S. ARMY CORPS OF ENGINEERS**  
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WASHINGTON, DC 20314-1000

07 May 2015

CECW-CE

MEMORANDUM FOR MSC Value Program Managers/District VEOs

SUBJECT: COVE #2015-02, USACE VE Workshop Standard and Evaluation Index

1. To ensure statutory intent is clearly identified and addressed, USACE policy and procedures have adopted industry accepted practices for Value Engineering (i.e. ASTM E1699 and SAVE International® Value Methodology Standard). To further clarify this long standing policy, the subject is issued for immediate implementation.
2. The "USACE VE Workshop Standard and Evaluation Index" were developed to establish the expectations of what "must" be accomplished in order to meet and demonstrate compliance with the statutory and Federal requirements for VE. Please refer to the VCOP SharePoint Site for the HQ FAST-1 and FAST-2 Workshop proceedings for the context behind the development this Standard.
3. The key requirements of the Standard include a multidisciplinary workshop format; performed by agency/contract personnel qualified in the Value Methodology (i.e. CVS) with the expert application of continuous function analysis; utilization of the Value Methodology Job Plan; and use of the Workshop Evaluation Index to measure performance/compliance with policy, management procedures, workshop effort (including pre/post), and outcomes.
4. Any questions should be directed to the undersigned at (202) 761-5533, or for more information visit the USACE VE website at [www.usace.army.mil/ValueEngineering.aspx](http://www.usace.army.mil/ValueEngineering.aspx).

A handwritten signature in black ink, appearing to read "Jeffery T. Hooghouse", with a long horizontal line extending to the right.

JEFFERY T. HOOGHOUSE, AIA, CVS  
Chief Value Officer (CVO)



**US Army Corps  
of Engineers®**  
Headquarters



**COVE POLICY LETTER # 2015-02**

**May 7, 2015**

**SUBJECT:** USACE Value Engineering (VE) Standard & Evaluation

The purpose of this document is to enhance the application of industry standards for the use of Value Engineering (VE) within USACE. This standard emphasizes key functions that must be accomplished within the application of value engineering to better achieve the spirit and letter of the federal requirements. This USACE VE Standard establishes the expectations of what must be accomplished in order to meet the expectations and statutory intent of VE. The value engineering industry has primarily defined VE with two key documents, ASTM Standard E1699 and the SAVE International® Value Methodology (VM) Standard. Identified herein are the key functions of the industry standards that are critical to the application of VE within the USACE area of responsibility (AOR). Therefore, the USACE VE Standard is a compilation of the ASTM E1699 standard, the SAVE International® VM Standard, and this document. 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 USACE VE Standard includes:

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

The SAVE International® VM Standard defines the six step Job Plan (Information, Function Analysis, Creativity, Evaluation, Development, and Presentation phases), the requirement to have a multidisciplinary team, led by a qualified team leader with expertise in the application of this process, and in a workshop environment. The USACE VE 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 USACE VE process.

VE is uniquely different 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 USACE VE 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 Functions**

Analyze 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.

- 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 in order 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 throughout. Each step provides a unique and critical component that contributes to the success of the overall outcome. Although the steps are clearly listed within the SAVE International<sup>®</sup> VM Standard, it is important to further expand USACE expectations within each step. These expectations will be further defined in the latest version of the “USACE VE Community of Practice- Manual of Practice” and made a part of the this Standard by reference.



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