

Value Management Plan

REF 8023G

Scope

This reference documents project-specific value management procedures appropriate to the size, complexity, and nature of the project. Value improvements are also documented and may be included in *After Action Report (AAR)/Lessons Learned – PROC3020*. The Value Management Plan (VMP) is an integral part of the Project Management Plan (PMP), along with *Quality Management – REF8008G*, *Risk Management – REF8007G*, *Communications – REF8006G*, *Safety and Occupational Health – REF8016G*, and *Change Management – REF8009G*. Plans are developed concurrently in the iterative Project Planning Phase.

Value Management (VM) is a process to facilitate and encourage the understanding, consideration, and integration of the needs of all customers, PDT members, partners, and stakeholders. Value Management seeks the highest value for a project by balancing resources and quality. The VM process emphasizes the use of multi-disciplinary teams and their resulting synergy, using a functional analysis approach for decision-making. It is a management tool that should be applied continuously throughout the life-cycle of projects and programs. VM is applicable to all business processes.

Policy

ER 5-1-11 U. S. Army Corps of Engineers Business Process
ER 1110-2-1150, Engineering and
Design for Civil Works Projects

Office of Federal Procurement Policy Act (41 USC 401 et seq.) as amended February 10, 1996 by Public Law 104-106

OMB Circular No. A-131

Public Law 99-662, Section 911

Responsibility

- The Project Manager (PM) is responsible for:
 - Including the VM/VE Officer or his designated representative as an integral member of the PDT.
 - Assuring the PDT incorporates a Value Management Plan into the PMP for the project.
 - Ensuring that Value Management techniques are integrated into the project delivery process to optimize overall value.
- Ensuring that VM/VE activities are scheduled and conducted as needed.
- Ensuring that Value Management workshops are fully documented.
- Ensuring a waiver request containing a written justification prepared for signature of MSC Commander, for requests of non-performance of a VM/VE study.
- Ensuring schedules are developed and adequate funds are budgeted for all VM/VE activities, including proposal review by District, partners and customers.
- Ensuring implementation of accepted VM/VE study proposals.
- Ensuring that a request for approval for non-implementation of all VM/VE proposals, and group of proposals, with potential savings over \$1,000,000 has been made through the District Commander.
- Ensuring that the PDT is responsible for project/program quality.
- The Project Delivery Team (PDT) is responsible for:
 - Developing the VM Plan and ensuring that VM/VE activities are properly scheduled and resourced.
 - Including Value Management methodology in all aspects of project development and delivery.
 - Participating in Value Management workshops.
 - Documenting the results of Value Management workshops.
 - Incorporating the results of Value Management workshops into the project or program.
- The Resource Provider(s) is responsible for:
 - Providing subject matter expert advice to the PM, PDT and District Commander.
 - Participating on PDTs to assure appropriate number and type of VM/VE studies are scheduled and appropriate resources (whether in-house or contract) are identified in the PMP to accomplish mandatory VM/VE requirements.
 - Assuring that the VM/VE studies are accomplished in accordance with established guidance and procedures, as the technical expert on the PDT.

- Tracking and recording all district VM/VE costs and savings for upward reporting in the VM/VE channels
- Coordinating with the MSC/Center. Producing and forwarding the district's/center annual plan and quarterly reports to the MSC/HQUSACE. Reporting to the Division/HQUSACE office the status of all VM/VE proposals with potential savings over \$1,000,000
- Providing necessary programmatic VM/VE status reports
- Ensuring that VM/VE cost savings and avoidances are considered for use on Sustainable Design project additions. These saving shall be supported by life-cycle saving analysis performed in accordance with established procedures
- Ensuring established procedures for review, approval, and contractor notification for VECs
- Ensuring that the rationale for not accepting major proposals is valid and documented.
- Ensuring procedures are established for review, approval, and contractor notification for VECs
- Assisting PM in ensuring projects are on time, and the best quality within budget
- Helping to assure/maintain/enhance Corps credibility, and cost effectiveness
- Ensuring documentation, auditable savings/avoidance for reporting to Office of Management and Budget
- Encouraging credible VM/VE studies earlier in the project cycle and in a less disruptive mode
- Encouraging seamless VM/VE in accordance with PMBP intent
- Ensuring the PDT members are trained in VM/VE Methodology
- Teaching, coaching, and assisting PDT members in the development of the Value Management Plan

Distribution

- Project Delivery Team (PDT)
- Project Manager (PM)
- Resource Provider(s)

Ownership

The PMBP Program Manager is responsible for ensuring that this document is necessary, that it reflects actual practice, and that it supports corporate policy.

Value Management Plan Content

Goals: (Statement of the overall goal of the VM/VE effort; ex. Compliance with Federal Law; Attempt identify possible cost saving and project enhancement options)

Objectives: (Specific items of accomplishment that the VM/VE effort will achieve as specific to the project; for example, Validate current alternative strategies; Identify and address pertinent issues that may impact the implementation and effectiveness of the current alternatives strategies; provide recommendations for future research needs.)

Execution: (Discussion on how VM/VE effort will be implemented; ex. Scheduled VE studies; planning charrettes, design charrettes, etc. and the participation in plan formulation, development and technical review activities)

Work Breakdown Structure:

- Organization Name:
- Organization Code:
- WBS Code:
- What: (Description of VM/VE effort, i.e., specific VE study(ies), other participation in PDT activities).
- Why: (Purpose of VM/VE action(s))
- Who: (Specific staff and/or contractors)
- When: (VM/VE activity schedule in terms of the overall project)
- How: (Brief Description of process to be used to execute VM/VE activities)
- Cost:
- Time:

Effective: May 2009