

Using VM in Construction Management



“Since 1988, the U.S. Department of State, Overseas Buildings Operations has performed 120 value engineering studies at a cost of \$6 million. These studies have save the U.S. taxpayer \$208 million, for a return of \$35 to every \$1 spent on the value engineering program.”

— Katherine F. Bethany, CVS, Value Engineering Manager, U.S. Department of State

How Can VM Help the Construction Manager and the Construction Contractor Increase Profits?

Design-build contractors must answer this question to be successful, and design-bid-build contractors have learned that many owners and agencies will compensate them for improving the value of their project, process, or system after they have won the bid. Virtually all projects have opportunities for improved value.

- Some projects have complex phasing requirements that must be nailed down and the penalties are severe for disruption of ongoing operations.
- Some projects have operational processes that handle materials more than once.
- Perhaps finishes for a building are less durable than possible and an owner would appreciate lower maintenance costs as a trade-off for higher initial costs.
- Perhaps the owner has a cost-sharing incentive for reductions in contract cost while simultaneously improving function; e.g., the U.S. government's Value Engineering Change Proposal (VECP) program.



elements are:

- A desire to improve projects.
- An open-minded, unbiased, trained team composed of people with knowledge of the item and a stake in improving its value.
- A leader who is qualified to direct the team in applying VM to produce a study outcome.
- A decision process that will accept or reject the outcome and ensure implementation.

Sounds pretty simple, doesn't it? It *can* be with the right help—SAVE International.

How Can You Improve Value?

VM is variously referred to as value analysis, value engineering, or value management. Whatever term is used, function analysis and creativity are employed. Value improvement is the result when VM is properly employed. Learn more through membership with SAVE International, the value society.

Yes! I Will Join SAVE International!

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How Do You Achieve Value Improvement?

Applying VM to define necessary and unnecessary functions is the key to achieving value improvement. Key

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