

Mississippi Department of Transportation

Value Engineering Policy

The Value Engineering program will support the MDOT mission of providing a safe intermodal transportation network that is planned, designed, constructed and maintained in an effective, cost efficient, and environmentally sensitive manner by adding value to and reducing cost of the project studied.

The Value Engineering program will be administered by the Value Engineering Coordinator who is appointed by the Roadway Design Engineer. A value engineering analysis will be performed on all federally funded projects, including Design/Build projects, on the National Highway System (NHS) whose combined design, ROW, and construction costs within the termini of the environmental document are greater than \$25 million. Bridge replacement projects will require a VE analysis if the combined costs of a single bridge, or one pair of parallel bridges, are greater than \$20 million. A VE analysis will be conducted on all major projects (\$500 million or greater), whether they are on the NHS or not. Also MDOT will utilize value engineering analysis on projects which would benefit from it or where FHWA determines a VE analysis is required. If an environmental document includes more than one construction project, a value engineering analysis will be performed on all the construction projects either combined into one VE analysis or analyzed individually. Desirably, projects that require ROW will be studied after conceptual plans are produced. For Design-Build projects, VE analyses should be done on the RFPs prior to their advertisement. For projects that do not require ROW, a VE analysis will be performed on field review plans. Value engineering requirements are tracked in the Project Development/Project Management (PDPM) database. The need for a VE analysis will be evaluated and noted in the database when a project is initially added to the PDPM database using the cost estimate from the environmental document. The need for an analysis will be reevaluated at every district PDPM meeting using the most recent cost estimate.

MDOT's Project Development Manual for Local Public Agencies includes a section on Value Engineering. If a Local Public Agency project requires a VE analysis, the Agency will be responsible for conducting the VE analysis. If a State Aid project requires a VE analysis, the County will be responsible for conducting the VE analysis in accordance with State Aid's rules and regulations. MDOT'S LPA Division and the Office of State Aid Road Construction will report the results of any Value Engineering analysis to the Value Engineering Coordinator for inclusion in the Annual Report. Value Engineering requirements for LPA projects will be tracked in Civic Tracker.

Most analyses will be conducted by teams whose members are all provided by consultants. MDOT has a value engineering master agreement that is advertised every three years. A minimum of three consultants will be selected each time it is advertised. Work assignments for individual VE analyses will be negotiated. The project manager must be a Professional Engineer registered in Mississippi. At least

one member of each team will be a Certified Value Specialist (CVS) certified by SAVE International. A typical team will have between four and six members, and will consist of individuals with experience in the various aspects of the project being analyzed, such as roadway design, structures, traffic, and construction. Analyses will usually be four or five days in length, however, for less complex projects shorter studies may suffice.

The following stakeholders, as appropriate, will be invited to the VE study kick-off meeting and concluding presentation.

- Assistant Chief Engineer – Preconstruction
- Assistant Chief Engineer – Operations
- Assistant Chief Engineer – Field Operations
- District Engineer
- Assistant District Engineer
- Roadway Design Engineer
- Assistant Roadway Design Engineer
- Roadway Design Section Engineer
- Bridge Engineer
- Assistant Bridge Engineer
- Materials Engineer
- Construction Engineer
- Construction Area Engineer
- State Estimator
- Traffic Engineer
- Traffic Area Engineer
- Environmental Division Director
- Environmental Division Area Engineer
- Right-of-way Division Director
- District ROW Coordinator
- Planning Engineer
- FHWA Field Operations Engineer
- FHWA Area Transportation Engineer
- Design Consultant (if applicable)

VE Analysis

Each analysis will begin with a kick-off meeting where designers and district personal make a presentation of the project's scope, history, and challenges to the VE team, the MDOT stakeholders, and FHWA. The presentation should include any restraints the VE team needs to be aware of, including Environmental Commitments. The VE team will visit the project site accompanied by a district representative familiar with the project. After the presentation and site visit, the VE team will use the SAVE international method to study the project. They will develop recommendations through the functional analysis, creative, evaluation, and development phases. Analyses on bridge replacement

projects will look at superstructure and substructure construction materials and be evaluated on life-cycle costs and duration of project construction. The team will present their recommendations to the MDOT stakeholders and FHWA at the conclusion of the study. Open discussion of the recommendations is encouraged at the presentation.

Post-Analysis

Within two weeks of the conclusion of the study, the VE team will submit the project's VE report. The report will include: (1) project information, (2) list of VE team members, (3) background and supporting documentation, (4) documentation of the stages of the VE Job Plan including any life-cycle cost analysis, (5) summarization of the analysis, and (6) documentation of the proposed recommendations. The VE Coordinator will review the report for errors and grammatical mistakes. After any errors are corrected, it will be distributed to the stakeholders for review and comment. The comment period will be two weeks. After the due date for comments, the VE coordinator will compile the comments for administration review. The VE coordinator will schedule a meeting with, the Assistant Chief Engineer – Preconstruction, the Roadway Design Engineer, the Assistant Roadway Design Engineer, and the Roadway Design Section Engineer. Comments will be discussed at the meeting, and the Assistant Chief Engineer – Preconstruction will make a decision on each VE recommendation. If necessary, the Assistant Chief Engineer – Preconstruction will discuss the decisions with the District Engineer or other stakeholders before a final decision is made. Desirably, decisions will be made within six weeks of the conclusion of the analysis.

The VE Coordinator will issue a decision memo summarizing which recommendations are accepted and which recommendations are rejected and why. The memo will be included in the final VE report. The report with decision memo will be distributed to all stakeholders electronically. One hard copy will be filed and one will be mailed to FHWA. MDOT's copy will be retained for three years after the project is constructed.

Roadway Design Section Engineers will be responsible for incorporating the accepted recommendations into the project's plans. The decision memo will be reviewed at field reviews and office reviews and included in the field review and office review reports. The MDOT Construction Division (for MDOT projects) and the LPA Division (for LPA projects) will be responsible for reporting accepted Value Engineering Change Proposals (VECPs) to the VE Coordinator for inclusion in the annual report.

Training

MDOT will provide training on value engineering concepts to MDOT stakeholders approximately every three years.

Annual Report

The VE coordinator will provide an annual report to FHWA for each federal fiscal year. It will be submitted to the Mississippi Division Field Operations Engineer. The report will summarize the recommendations of each study, how many were accepted, and the cost savings of each. The report

will include project information including construction cost estimate. MDOT VE training throughout the year and a schedule of analyses planned for the next two year will be included in the report.