PACE The Partnership for Achieving Construction Excellence

14th Annual PACE Research Seminar

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Partnering for Value Engineering

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Research: Partnering for Value Engineering

Background:

- Value Engineering – methodical advance to improve the overall value of a product and accompanying services
- Partnering – management tool to improve quality and program, to reduce confrontations between parties, thus enabling an open and non-adversarial contracting environment

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Research: Partnering for Value Engineering

Survey Utilization:

- Key dates of design development
  - when did VE occur?
- Sources of VE suggestions and their purpose
  - cost cutting or adding value?
- Satisfaction or displeasure within project team interaction
- What are the attributes of successful VE?

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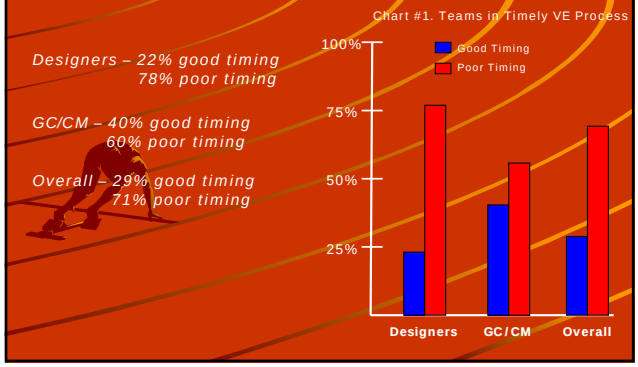
Research: Timing of Value Engineering

Designers – 22% good timing
78% poor timing

GC/CM – 40% good timing
60% poor timing

Overall – 29% good timing
71% poor timing



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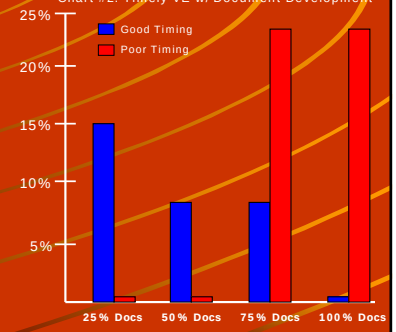
Research: VE within Document Development

25% DD – 15% good timing
0% poor timing

50% DD – 8% good timing
0% poor timing

75% DD – 8% good timing
23% poor timing

100% DD – 0% good timing
23% poor timing



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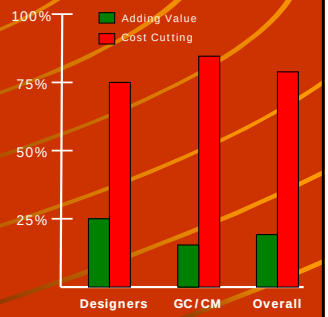
Research: Adding Value or Cutting Cost

Designers – 25% add value
75% cost cut

GC/CM – 15% add value
85% cost cut

Overall – 80% add value
20% cost cut

PE @ Rathgeber/Goss Associates – "owner, developer, and GC are all from the same company, 95% of their decisions were made with the point of adding value"



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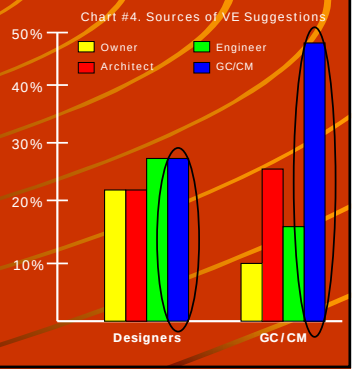
Research: Sources of VE suggestions

Designers – 22% Owner
22% Architect
28% Engineer
28% GC/CM

GC/CM – 10% Owner
26% Architect
16% Engineer
48% GC/CM

Mechanical Engineer – "I add unnecessary items which an be removed during the VE process, so we look like we are contributing"



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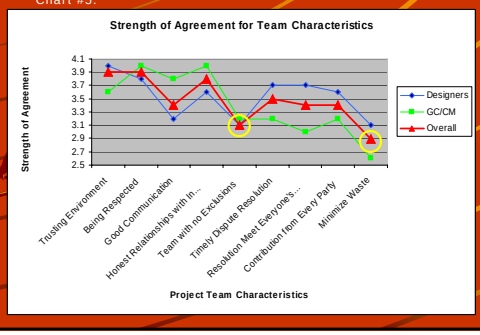
Research: Project Team Interaction



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Research: Partnering for Value Engineering

Final Observations/Recommendations

- *Designers and GC/CM's are in agreement that VE timing is poor and the earlier suggestions are best*
- *Overall aim of cost cutting and a noticeable difference in sources of VE suggestions may cause dissemination between project teams and their goals*
- *The problem is not so much partnering, but the overall mechanics of VE*

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Research: Partnering for Value Engineering

Comments?

or

Suggestions?