

Value Engineering Guidelines: Incorporating Agreed Cost Reductions

1. Documenting the VE Recommendation

- **VE Workbook Completion:** The VE Workbook is completed, capturing all analyses, alternatives considered, and the rationale for the recommended cost reduction.
- **Recommendation Details:** Clearly document the agreed-upon cost reduction, specifying the original estimate and the revised cost, along with explanations for the changes.
- **Reference:** For detailed guidance on documenting VE recommendations, refer to [Section 1-504.00](#)

2. Obtaining Approval

- **Submission to Project Manager:** Forward the VE Workbook to the Project Manager for review and approval.
- **Approval Tracking:** Maintain records of all communications and approvals related to the VE recommendation.
- **Reference:** [Section 1-505.00](#) outlines the implementation process for approved VE recommendations.

3. Updating Project Cost Estimates

- **Revised Estimates:** Work with the Project Manager to update the project's cost estimate to reflect the approved VE cost reduction.

- **Documentation:** The revised cost estimate is documented and stored in the project's digital folder, as per [Section 1-102.00](#)
- **Integration:** Confirm the updated cost estimate is integrated into the project's financial planning and reporting systems.

4. Communicating with Stakeholders

- **Internal Communication:** Notify all relevant internal stakeholders about the approved cost reduction and its incorporation into the project.
- **External Communication:** If applicable, inform external stakeholders, such as contractors or consultants, about the updated project cost.
- **Documentation:** Keep records of all communications related to the cost reduction.

5. Tracking and Reporting

- **Implementation Tracking:** Track the implementation of the VE recommendation to ensure that the cost reduction is realized during project execution.
- **Reporting:** Submit regular updates to senior management on the status of the VE recommendation and its impact on the project's budget.
- **Reference:** For detailed procedures on monitoring and reporting, refer to [Section 1-505.00](#)