

0040309-VALUE ENGINEERING INCENTIVE-SHARING ARRANGEMENTS
COMMENTS FROM INDUSTRY REVIEW

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Comments:

4-3.9.3 (4) Data Requirements:

The word "Engineering" is the first word of the sentence. It starts with a capital "E". Should this be a small "e" or should all other sentences start with a capital letter?

Response:

Jim Warren
Email: jwarren@acaf.org

Comments:

"a decrease in the cost of performance of the Contract." How or where is this defined? Using a term that is not clearly defined somewhere will cause confusion and is wrought for misinterpretation.

Response:

Allen Schrupf
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Comments:

Correct reference in 3rd to the last line to 4-3.9.8.1.

Response:

Sharon L. Harris
District Maintenance Administrator
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Comments:

My comments are as follows:

I agree with the deletion of the references and requirements related to collateral costs. In over 10 years of reviewing VECPs in both Construction and Maintenance for District One. I have never seen any submittals that included collateral costs. However, in 4-3.9.1 - paragraph (2) b, there is some essential language also being deleted I feel should remain. The language is:

"VECPs must result in savings without impairing essential functions and characteristics such as safety, service, life, reliability, economy of operation, ease of maintenance, aesthetics...The Department will not recognize the Contractor's correction of plan errors that result in a cost reduction, as a VECP."

Without this language, contractor's will be able to submit VECP's that save construction costs but may increase life cycle costs or violate commitments made regarding aesthetics etc. Design features can often exceed minimum requirements for valid reasons. Reducing construction costs is a valid goal, but not when its at the expense of other costs to the Department. After all, its all coming out of the same pot of money, namely the Transportation Trust Fund. It would be difficult to deny VECP's related to the issues above without this language.

Response:

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Comments:

1. District 4 likes the change. Looks cleaner.
2. This spec #0040309 is eliminating the chart in 4-3.9.8 to permit the contractor to keep all the savings related to any costs less than or equal to \$25,000.00 and requiring the savings to be split now 50 percent for all VECP submittals. This is a concern for minor savings since the contractor will have no way of recouping his costs for design and analysis of minor VE

proposals. Therefore, he will not want to propose any minor changes although could be good for the Department to make this change.

Response:

Christopher Wood
D2 Construction
Email:Christopher.Wood@dot.state.fl.us

Comments:

I have received the following comment regarding the Proposed Specifications Change: 0040309-Value Engineering Incentive:

1) Under 4-3.9.7 Sharing Arrangements the following change is being proposed:

The Contractor shall receive ~~up to~~ 50% of the net reduction in the cost of performance of the Contract due to an approved VECP, ~~except for innovative ideas. Upon review and approval of the VECP, the savings shall be based on a~~ *as determined by the* final negotiated agreement between the Contractor and the Department.

I would rather us not strike out the words “up to”. Are we really comfortable with paying 50% in every instance?

Sincerely,

Response: