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HOUSE BILL NO. 2293

Offered January 21, 2015

A *BILL to amend and reenact § 2.2-1133 of the Code of Virginia, relating to the Department of General Services; Division of Engineering and Buildings; use of value engineering.*

Patron—James (By Request)

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-1133 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-1133. Use of value engineering.

A. The Division shall ensure that value engineering is employed for any capital project costing more than five \$5 million dollars. Value engineering may also be used for any project costing five \$5 million dollars or less. For purposes of this section, "value engineering" means a systematic process of review and analysis of a capital project by a team of persons not originally involved in the project. Such team, which shall include appropriate professionals licensed in accordance with Chapter 4 (§ 54.1-400 et seq.) of Title 54.1, may offer suggestions that would improve project quality and reduce total project cost by combining or eliminating inefficient or expensive parts or steps in the original proposal or by totally redesigning the project using different technologies, materials, or methods.

B. The review developed pursuant to subsection A shall be compiled in a value engineering report and submitted to the Division. Each item included in the value engineering report shall have a status designation of accepted, declined, or accepted as modified. The Division, within 45 days, must approve the value engineering report before the project may move to the next phase of design. For

C. A value engineering report shall not be required for projects that (i) are designed utilizing either the design-build or construction manager management at risk construction delivery method, basis and (ii) have the value engineering process as an integral component, and (iii) have been granted an appropriate waiver by the Director of the Department of General Services, a representative designated by the Director shall participate in all cost savings decisions before modifications to the design may be finalized. In such cases, a written summary of the cost savings that have been incorporated into the design shall be provided to the Division prior to moving forward to the construction phase of the contract.

D. The Director of the Department may waive the requirements of this section for any proposed capital project for compelling reasons. Any waiver shall be in writing, state the reasons for the waiver, and apply only to a single capital project. On or before September 15 of each year, the Director of the Department shall report to the Governor and the General Assembly on the (i) number and value of the capital projects where value engineering was employed and (ii) identity of the capital projects for which a waiver of the requirements of this section was granted, including a statement of the compelling reasons for granting the waiver. The report shall cover projects completed or for which a waiver was granted within the previous fiscal year.

E. Notwithstanding any law to the contrary, the provisions of this section shall apply to public institutions of higher education in Virginia.

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