



N.C. DEPARTMENT OF TRANSPORTATION

# Value Management Office

## Value Engineering Proposal Program

Per Article 104-12 of the NCDOT Standard Specifications, contractors may submit Value Engineering Proposals that aim to save time and resources which ultimately saves money. This allows contractors to submit innovative ideas directly to NCDOT for a share of the cost savings.

The Value Engineering Proposal Program is 1 of 5 programs that contribute to the Value Management Office's overall goals. Please contact the Value Management Office for more information about these programs. You may also find more information at:

<https://connect.ncdot.gov/projects/Value-Management/Pages/default.aspx>

### What the Contractor Needs to Know

- Part of every DOT contract under Article 104-12.
- **COST SAVINGS** – All cost savings from the proposal are split 50/50 with the Department.
- All proposals must be submitted to the Resident Engineer and the Value Management Office.
- Allows Contractor to use their expertise and experience to add value to the project.
- Contractor must cover the costs of developing a proposal. The costs to develop a proposal cannot be taken from project cost savings.
- For a Final Proposal to be approved, the Contractor must submit design calculations, contract plan sheet modifications, contract document changes, and a cost savings estimate using the line items in the contract.
- Reviews typically take approximately 20 business days.
- There will be no time extension on the project to review a proposal. The cost and time the Contractor takes to submit the proposal must be taken into account by the Contractor.
- If a Final Proposal is approved, the Resident Engineer will create a Supplemental Agreement for the project to make the necessary changes based on the proposal, including cost savings.

### What the DOT Needs to Know

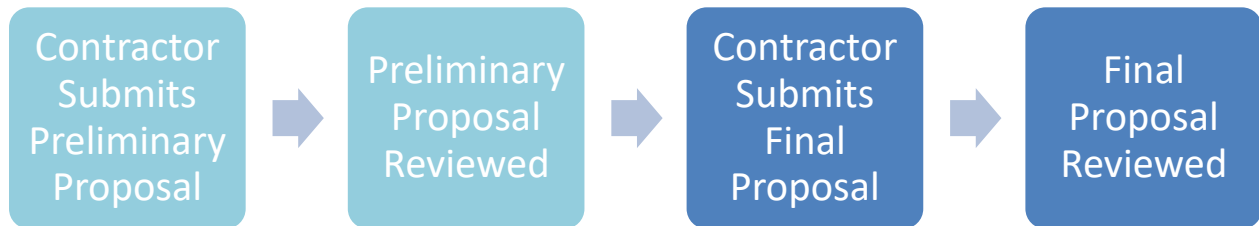
- Part of every DOT contract under Article 104-12.
- **COST SAVINGS** – All cost savings from the proposal are split 50/50 with the Department.
- Make sure if the Value Management Office is not included in a proposal submission, that you forward the proposal to the Value Management Office.
- Value Management Office handles the proposal review to reduce the workload on the Resident Engineers.
- The Value Management coordinates proposal reviews with Technical Units, the Division, and with the Construction Unit for Final Proposals.
- If a Final Proposal is approved, the Construction Unit will send an approval memo to the Resident Engineer authorizing the Supplemental Agreement.

#### How can we help?

Contact the Value Management Office  
at (919) 707-6684 or  
[valuemanagementunit@ncdot.gov](mailto:valuemanagementunit@ncdot.gov)

(Turn Over)

## Value Engineering Proposal Process



### Contractor Submits Preliminary Proposal

- Contractor submits a conceptual proposal shown through sketches, mark-ups on existing plan sheets, a short description, and breakdown of costs associated with the proposal.
- Preliminary Proposals must be submitted to the Resident Engineer and the State Value Management Engineer.
- The Department uses the Preliminary Proposal to review the merit of the concept prior to the Contractor spending time and money developing a more detailed Final Proposal.

### Preliminary Proposal Reviewed

- Review is completed by Resident Engineer, the Value Management Office, and Technical Units.
- If the VEP meets the requirements and has technical merit, the Value Management Office compiles any comments or concerns and submits them to the Resident Engineer for review and distribution to the Contractor.
- If accepted, the Resident Engineer will inform the Contractor to submit a Final Proposal, addressing any comments or concerns.

### Contractor Submits Final Proposal

- Final Proposal must include design calculations, contract plan sheet modifications, contract document changes, and a cost savings estimate based on contract line items, all at the Contractor's expense.
- Final Proposals must be submitted to the Resident Engineer and the Value Management Office.

### Final Proposal Reviewed

- Reviewed by Resident Engineer, Value Management, and Technical Units.
- Value Management will send the recommendations to the Construction Unit.
- If accepted, the Construction Unit will send an approval memo to the Resident Engineer, authorizing a Supplemental Agreement.
- The Resident Engineer will create a Supplemental Agreement for the project to make the necessary changes based on the proposal, including cost savings.