

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2014

To amend title 23, United States Code, and the Federal Transit Act to provide an increased Federal share for projects which have a cost of \$2,000,000 or more and to which value engineering is applied and results in a certain minimum project cost savings.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1993

Ms. BYRNE (for herself, Mr. BOUCHER, Mr. FINGERHUT, and Mr. MORAN) introduced the following bill; which was referred to the Committee on Public Works and Transportation

---

## A BILL

To amend title 23, United States Code, and the Federal Transit Act to provide an increased Federal share for projects which have a cost of \$2,000,000 or more and to which value engineering is applied and results in a certain minimum project cost savings.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Value Engineering  
5 Better Transportation Act of 1993”.

1 **SEC. 2. TITLE 23, UNITED STATES CODE.**

2 Section 120 of title 23, United States Code, is  
3 amended by adding at the end the following:

4 “(j) INCREASED FEDERAL SHARE FOR VALUE ENGI-  
5 NEERING.—

6 “(1) IN GENERAL.—The Federal share payable  
7 on account of any project or activity carried out  
8 under this title shall be increased—

9 “(A) by 5 percentage points—

10 “(i) if the project or activity has an  
11 estimated cost of \$2,000,000 or more;

12 “(ii) if, before 35 percent completion  
13 of project or activity design, value engi-  
14 neering is applied to the project or activity;

15 “(iii) if the State in carrying out the  
16 project or activity complies with parts 48  
17 and 52 of title 48 of the Code of Federal  
18 Regulations, relating to Federal acquisition  
19 regulations;

20 “(iv) if the State submits to the Sec-  
21 retary for approval a completed value engi-  
22 neering analysis, signed by a certified  
23 value specialist, of the savings resulting  
24 from application of value engineering to  
25 the project or activity, including changes

1 made in the project or activity design as a  
2 result of such value engineering; and

3 “(v) if the Secretary determines that  
4 application of value engineering to the  
5 project or activity reduces the cost of the  
6 project or activity by 5 percent or more;  
7 and

8 “(B) by an additional 5 percentage points  
9 if the determination made by the Secretary  
10 under subparagraph (A)(v) is that application  
11 of value engineering reduces the cost of the  
12 project or activity by 15 percent or more.

13 “(2) LIMITATIONS.—

14 “(A) MAXIMUM FEDERAL PERCENTAGE.—  
15 Notwithstanding paragraph (1), the Federal  
16 share payable for any project or activity carried  
17 out under this title shall not exceed 100 percent  
18 of project or activity cost.

19 “(B) MAXIMUM FEDERAL DOLLARS.—Not-  
20 withstanding paragraph (1) and subparagraph  
21 (A), the amount of Federal funds payable on  
22 account of a project or activity under this title  
23 as a result of application of this subsection to  
24 the project or activity shall not exceed the  
25 amount of Federal funds which would have

1           been payable on account of the project or activ-  
2           ity under this title but for this subsection.

3           “(3) PROHIBITION ON TRAINING.—No Federal  
4           funds may be used to provide training for carrying  
5           out value engineering under this title.

6           “(4) VALUE ENGINEERING DEFINED.—For pur-  
7           poses of this subsection, the term ‘value engineering’  
8           means a systematic process of review and analysis of  
9           a project or activity during its design phase by a  
10          multidisciplined team of persons not originally in-  
11          volved in the project or activity in order to provide  
12          suggestions for reducing the total cost of the project  
13          or activity and providing a project or activity of  
14          equal or better quality. Such suggestions may in-  
15          clude a combination or elimination of inefficient or  
16          expensive parts of the original proposed design for  
17          the project or activity and total redesign of the pro-  
18          posed project or activity using different technologies,  
19          materials, or methods so as to accomplish the origi-  
20          nal purpose of the project or activity.”.

21 **SEC. 3. FEDERAL TRANSIT ACT.**

22          Section 12 of the Federal Transit Act (49 U.S.C.  
23 App. 1608) is amended by adding at the end the following:

24          “(n) INCREASED FEDERAL SHARE FOR VALUE ENGI-  
25          NEERING.—

1           “(1) IN GENERAL.—The Federal grant for any  
2 project to be assisted under this Act shall be in-  
3 creased—

4           “(A) by 5 percent of the net project cost—

5           “(i) if the project has an estimated  
6 cost of \$2,000,000 or more;

7           “(ii) if, before 35 percent completion  
8 of project design, value engineering is ap-  
9 plied to the project;

10           “(iii) if the grant recipient in carrying  
11 out the project complies with parts 48 and  
12 52 of title 48 of the Code of Federal Regu-  
13 lations, relating to Federal acquisition reg-  
14 ulations;

15           “(iv) if the grant recipient submits to  
16 the Secretary for approval a completed  
17 value engineering analysis, signed by a cer-  
18 tified value specialist, of the savings result-  
19 ing from application of value engineering  
20 to the project design, including changes  
21 made in the project as a result of such  
22 value engineering; and

23           “(v) if the Secretary determines that  
24 application of value engineering to the

1 project reduces net project cost by 5 per-  
2 cent or more; and

3 “(B) by an additional 5 percent of the net  
4 project cost if the determination made by the  
5 Secretary under subparagraph (A)(v) is that  
6 application of value engineering reduces net  
7 project cost by 15 percent or more.

8 “(2) LIMITATIONS.—

9 “(A) MAXIMUM FEDERAL PERCENTAGE.—  
10 Notwithstanding paragraph (1), the Federal  
11 grant for any project assisted under this Act  
12 shall not exceed 100 percent of the net project  
13 cost.

14 “(B) MAXIMUM FEDERAL DOLLARS.—Not-  
15 withstanding paragraph (1) and subparagraph  
16 (A), the amount of Federal funds which may be  
17 expended under a Federal grant under this Act  
18 for a project as a result of application of this  
19 subsection to the project shall not exceed the  
20 amount of Federal funds which would have  
21 been available for expenditure under such a  
22 grant for the project but for this subsection.

23 “(3) PROHIBITION ON TRAINING.—No Federal  
24 funds may be used to provide training for carrying  
25 out value engineering under this Act.

1           “(4) VALUE ENGINEERING DEFINED.—For pur-  
2           poses of this subsection, the term ‘value engineering’  
3           means a systematic process of review and analysis of  
4           a project during its design phase by a  
5           multidisciplined team of persons not originally in-  
6           volved in the project in order to provide suggestions  
7           for reducing the total cost of the project and provid-  
8           ing a project of equal or better quality. Such sugges-  
9           tions may include a combination or elimination of in-  
10          efficient or expensive parts of the original proposed  
11          design for the project and total redesign of the pro-  
12          posed project using different technologies, materials,  
13          or methods so as to accomplish the original purpose  
14          of the project.”.

○