

## **SB-1 Value Analysis Exception Process**

Value Analysis (VA) is an effective problem solving and quality assurance tool that can facilitate Caltrans goals to maximize safety, mobility, delivery, stewardship, and service. Historical data indicates that projects over \$15 million can benefit greatly from this tool. Typical rate of returns exceeds 100:1.

The Chief Engineer recognizes VA as a tool that can help the Department meet the State statutory requirement (SB 1) of \$100 million in savings. Therefore, all Caltrans' projects regardless of funding, location, and scope with a total cost from \$25 million to the federal mandate must consider during the PA&ED phase a VA study to capture efficiencies for SB 1 reporting. **Please fill out the SB 1 VA Exception Form.** Projects over the federal mandates must have a FHWA approved VA Study with no exception (DD-92-r1).

VA studies should be considered to:

- Meet or exceed standards and safety objectives
- Foster a team approach to problem solving and project development
- Improve a project's performance while maximizing quality
- Identify and develop strategies to mitigate or avoid risks and the associated costs
- Identify opportunities which promote context-sensitive-solutions
- Validate project's scope, purpose & need, and baseline design

VA studies provide an opportunity for a structured and thorough review by functional experts. VA studies often reveal new information that fosters a project's advancement in a timely manner. For non-mandated studies, the study can focus directly on the best opportunity for savings including faster delivery while meeting the project's purpose & need.

Therefore, each project over \$25 million in total cost must either request a FHWA approved VA study or submit a VA Study Exception signed by the District Director to the HQ VA Program during the PA&ED phase. **NOTE: Projects reaching RTL (milestone 460) between February 2019 and June 30, 2019 are exempt and do not need to submit a signed exception form.**

Please fill out the blue sections on the Value Analysis SB 1 Exception Form.

Each VA Exception should be reviewed and approved by the District Director. Please file the approval in the Project History File and send electronic copy to the HQ VA Program Manager.

For more information contact:

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