

Design Economics
Module Code ACBA66001
Level 6
Credits 20
JACS CODE – K240

House Rules



Health and Safety Moment



Value Management / Value Engineering

Value Management / Value Engineering

Value management and value engineering techniques look at the relationship between value and cost on a project. They are optioneering techniques that seek to **maximise value whilst minimising cost**. They are often used to achieve maximum functionality with limited resources. Neither should be seen as a cost cutting exercise, although value engineering is often used to explore how cost can be reduced whilst maintaining function. However, if value can be considerably enhanced by a moderate increase in cost, this might be seen as beneficial to the client. They should not only be used when costs exceed the budget, but should be applied on all projects to achieve the best value for money for a client.

Value Management / Value Engineering

Value management

Value management looks at the project as a whole and focuses on its overall objectives. It is most effective when applied at the beginning of a project. It should challenge the basic principles of the project, looking at the need or purpose of the project and should explore alternative solutions.

Value Management

Does a client refurbish an existing building or build a new one?

Advantages/ Disadvantages of refurbishment

Advantages/ Disadvantage of New Build

Value Management / Value Engineering

Advantages/ Disadvantages of refurbishment

Should be cheaper

Layout restrictions

Advantages/ Disadvantage of New Build

No layout restrictions

Improved efficiencies

Normally more expensive

Less disruption to service provision

Value Management / Value Engineering

Value engineering

Value engineering looks at the components of a project at an elemental or unit level. It involves the identification and analysis of alternative design solutions and addresses the relationship between functionality and cost to produce best value for the client. It is distinctly different from cost cutting or scope reduction exercises. Value engineering can be used at any stage of the project, although it is most effective during the design development stage

Value Management / Value Engineering

What elements of a building could be Value Engineered?
(please identify one element and discuss the issues that can be considered when value engineering)

Value Management / Value Engineering

Windows;

Cost

Life expectancy

Thermal value

Security

Appearance