



# **SAVE International**

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## **WHITE PAPER**

### **SELECTING A VALUE CONSULTANT**

**Prepared by**

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**and**

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### **ABSTRACT**

SAVE International has defined its Mission Statement through four Objectives: to Promote the Value Methodology, to Advocate for the application of Value Methodology, to Certify practitioners of the Value Methodology and to Educate its members and the public about the Value Methodology.

The SAVE Board of Directors believes that it would be advantageous to its members if guidelines for the selection of a Value Consultant were made broadly available through its web-site. A sub-committee of the Board consisting of Don Stafford, VP Education and Jeffrey Plant VP, Finance & Administration agreed to prepare a White Paper on the subject.

Two *pro forma* documents were generated and are submitted for review by the Board of Directors for publication in the public area of the SAVE International web site. The documents are generic and intended to be adapted for use in different sectors and jurisdictions around the world. They consist of a Request for Proposal and an Agreement for Value Consulting Services

SAVE International advocates a qualification-based selection process using a two envelope system: one envelope to contain the qualifications of the proposing team and their approach to the project and the second to contain their fee proposal. If the fee proposal submitted by the proposing team judged to have the best technical proposal is acceptable then the contract would be awarded to that firm and the other envelopes returned unopened.



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# **Pro Forma Request for Proposal for Value Consulting Services**

*This document is provided at no charge to organizations and Agencies considering the retention of a value consultant. The document is provided as a guideline only. The responsibility for modifying the document and producing a specific Request for Proposal resides entirely with the organization, agency or individual producing such document.*



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## List of Exhibits

EXHIBIT "A" - Scope of Work (Optional)



## 1.0 Introduction

Insert Name of Client (“the Client”) is seeking a qualified value consultant to provide value analysis, value engineering, value enhancement, value management (SELECT ONE) services related to Insert name of project, product, system or study object.

Describe project, product, system or study object...

The objectives of the value consulting assignment are:

- To identify potential changes to the project, product, system or study object design that would satisfy the essential functions of the project, product, system or study object at a lower (capital or life cycle) cost;
- To identify potential changes to the project, product, system or study object design that would better accomplish the essential functions of the project, product, system or study object while providing better overall value;
- To improve confidence in the effectiveness of the design (if applicable)
- To provide additional input into selected project, product, system or study object decisions (if applicable)
- (Other objectives as appropriate)

## 2.0 Scope of Work

It is intended that the selected value consultant will conduct Insert Number value workshop(s) to be conducted in Insert Location over a period of Insert Number month(s).

The work will consist of the following individual tasks: (or as detailed in Exhibit “A” Scope of Work:)

- Communicating with the Client’s project manager either in person or by telephone, and reaching a decision about the details of the value study including the duration of each proposed workshop.
- Communicating with the Client’s project manager either in person or by telephone to review the project, product, system or study object and the project, product, system or study object issues and reach an agreement regarding the date for the value workshop (s) and the team members to be provided by the Client, if any, and by the value consultant, if any.
- Prior to the value workshop accomplish the following activities:
  - Coordinate workshop logistics;
  - Review the design documents and other documents about the project, product, system or study object provided by the Client with the value team members;
  - Using information provided by the Client and by the design team, prepare cost, energy, life-cycle cost, space, and/or other models as appropriate; and
  - Conduct a validation of the estimated project, product, system or study object costs.



- *Workshop(s) are to be conducted using a job plan consistent with SAVE International guidelines for value studies. The workshop(s) will be conducted in the location identified in this Request for Proposal. The facility in which the workshop(s) will be conducted will be provided and paid for by the Client or Consultant (INSERT ONE). Each value workshop will consist of the following six phases conducted over a period of Insert Number consecutive days:*
  - *Information Phase*
  - *Function Analysis Phase*
  - *Creativity Phase*
  - *Evaluation Phase*
  - *Development Phase*
  - *Presentation Phase*
- *Following each value workshop, conduct the following activities:*
  - *Submit a preliminary value report in electronic and hard copy format, consisting of the workshop work products within fourteen (14) days of the completion of the value workshop;*
  - *Review the design team written responses to the preliminary value report, consult with the value team members as necessary, and prepare for a decision-making meeting;*
  - *Attend the decision-making meeting and provide information to the decision-makers at the meeting relative to the pros and cons of each value recommendation. Respond to the concerns raised by the design team and others, and assist the designer, design project manager and the Client project manager in reaching decisions about whether to incorporate each value recommendation into the project design.*
  - *Prepare a draft final report within fourteen (14) days following the decision-making meeting that documents the entire VE study, including the decisions made.*
  - *Make appropriate revisions to the draft final report based on comments from the Client project manager, and provide an electronic and Insert Number hard copies within fourteen (14) days following receipt of comments from the Client project manager.*

### 3.0 Required Qualifications

The value consultant shall provide the following team members:

- *A value team leader who is certified by SAVE International as a Certified Value Specialist (CVS);*
- *An assistant team leader who, at minimum, is certified by SAVE International as an Associate Value Specialist (AVS);*
- *Technical specialists with appropriate qualifications (List Required Specialists including quantity surveyors if required); and*
- *Supporting clerical and administrative staff to participate in the workshops and assist with the study documentation.*

The value consultant shall demonstrate corporate experience pertinent to the subject matter of the value study.



## 4.0 Special Requirements

The selected value consultant will be invited to enter into a contract in the standard SAVE International Form of Contract for Value Consulting Services and to begin work within **fourteen (14)** days of notification to proceed.

**Insert special conditions of contract, if any, including expectations of the value consultant related to venue, equipment and related matters.**

## 5.0 Proposal Format

Proposals are requested in the following format:

- Cover Letter
- Table of Contents
- Introduction/Understanding of Scope of Work
- Proposed Methodology and Delivery Schedule
- Corporate Qualifications and Experience (including client references)
- Brief Biographies of Key Personnel
- Fee Proposal (include under separate cover)
- Other Considerations

Please include detailed resumes and additional corporate information, if so desired, in appendices.

All Proposals shall be clearly marked on the outside with the following:

“Proposal for Value Consulting Services for **Insert Project, Product, System or Study Name**”

## 6.0 Selection Process

### 6.1. Submission Deadline

Proposals are due by **Insert Date and Time** at the following address:

**Address Line 1**  
**Address Line 2**  
**Any City, Any Country**

Electronic copies may be transmitted by e-Mail to:

**Insert e-Mail Address**

Proposals received after the date and time specified will not be considered.



## 6.2. Inquiries During the Proposal Preparation Period

Inquiries during the proposal preparation period may be addressed to:

Insert Name  
Insert Title  
Address Line 1  
Address Line 2  
Any City, Any Country

Insert Telephone and Facsimile Numbers  
Insert e-Mail Address

Answers provided to proposer questions are intended to improve the proposer's understanding of the requirements of the request for proposal and the project requirements. No verbal information provided to proposers will in any way change the requirements or provisions of this request for proposals. Any changes to the Request for Proposal will be made in writing in the form of an addendum that will be sent to all holders of record of the Request for Proposal.

## 6.3. Evaluation and Selection Procedures

All proposals will be evaluated on the basis of the following technical criteria:

<u>Criterion</u>	<u>Weight</u>
Understanding and Approach	25%
VE Team Leader Qualifications	25%
VE Team Member Qualifications	25%
Previous Experience and Performance	15%
Availability and Schedule	10%

Depending on the results of the evaluation of proposals, interviews may be conducted with a short list of the proposers to make the final selection of the firm to conduct this work. If interviews are required, the shortlisted proposers will be advised of the date and time for their interview. Each firm will have one hour for their interview process. The first 30 minutes will be spent in a formal presentation by the firm expanding on the information provided in their proposal. The second 30 minutes will be spent responding to questions from the interview panel. The final selection will be based on the same criteria listed above, and will use the same weights as indicated for the proposal evaluation.

Once the highest rated firm has been selected, **Insert Name of Client** will endeavor to negotiate a contract with that firm. Should the two parties not be able to successfully negotiate a contract for the services, negotiations with the highest rated firm will be terminated and negotiations will be opened with the second highest rated firm and so on.

**Insert Name of Client** reserves the right to reject any and or all proposals.



## EXHIBIT “A”

### SCOPE OF WORK FOR VALUE STUDY

The Value Consultant will provide the following services in accordance with this scope of work and the terms of the Agreement:

#### CONSULTANT STUDY TEAM

The Value Consultant will provide the study team members identified below:

Name/Discipline	Required Qualifications
/Team Leader	
/Asst. Team Leader (if applicable)	
/ Team Assistant (if applicable)	
/ Subject Matter Specialist (if applicable)	
/ Subject Matter Specialist (if applicable)	
/ Subject Matter Specialist (if applicable)	
/ Subject Matter Specialist (if applicable)	
/Cost Estimator	

All other team members will be provided by the Client, at no cost to the Value Consultant. The Value Consultant will communicate directly with all study team members as needed relative to scheduling, pre-workshop, workshop and post workshop activities.

#### PRE-WORKSHOP ACTIVITIES

The Value Consultant will perform pre-workshop activities to include those tasks which must be accomplished in order for the study team to be able to efficiently and effectively perform in the workshop.

These activities will consist of:

- scheduling study tasks
- scheduling and coordination with study team members
- assisting the Client with scheduling study participants
- coordination of the necessary project documentation on the project for distribution by the Client to the study team members
- document review by Value Consultant-supplied team members



- Preparation of cost, energy, life cycle cost, space models, etc. contingent on supply by Client of the information needed for their preparation

The Client will distribute the project documents and materials to be studied to the study team members at least five working days prior to the workshop start. All team members except the cost estimator are to spend \_\_ (4 to 16) hours reviewing the project documents and materials prior to the start of the workshop. The cost estimator will spend \_\_ (12-24) hours reviewing the documents and validating the cost estimate provided by the Client.

## WORKSHOP

The Value Consultant will conduct a \_\_-hour value workshop using a six-step job plan that is consistent with the best management practices recognized by SAVE International. The workshop will include an Information Phase, a Function Analysis Phase, a Creative Phase, an Evaluation Phase, a Development Phase, and a Presentation Phase. A (site, plant or facility) visit for the team members will be conducted on the first day of the workshop. (optional)

The workshop will be initiated by presentations from the Client, who will describe the objectives of the Assignment and any constraints that will be placed on the study team. The designers will explain specifically how the design accomplishes the Client's objectives and the details of that design. The workshop will include a detailed function analysis of the major project elements. The team will generate a list of ideas for project improvement followed by an evaluation of those ideas. This evaluation will include input from key Client decision makers before proceeding with development of recommendations. On the last day of the workshop, a presentation of the recommendations will be provided to the Client decision makers and key representatives of the design team.

The workshop will be held at \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_. The cost of providing the workshop refreshments and all other costs associated with the meeting facilities, including telephone, photocopying, and faxing will be borne by \_\_\_\_\_.

To ensure that the study team has complete information about the project criteria, the Client will provide at a minimum, the Client Assignment Manager and appropriate key members of the design team for the first day and last day presentations as well as the mid-point review meeting.

## POST WORKSHOP

The Value Consultant will conduct a four-hour post-workshop study Decision/Implementation Meeting at a location in the \_\_\_\_\_, \_\_\_\_ area following receipt by the study team leader of the written designer responses to the Preliminary Report. The purpose of this Decision/Implementation Meeting is to assist the Client in making decisions regarding acceptance or rejection of the individual value proposals. Attendees will consist of key Client staff, key designer staff and the study team leader.



**SCHEDULE**

The work will be performed in accordance with the following schedule:

Pre-Study Activities	Upon receipt of a signed contract and notice to proceed
Workshop(s)	***Insert workshop dates***
Preliminary VE Study Report	Fourteen (14) days after completion of the Workshop
Decision/Implementation Meeting	On a date to be determined by The Client, The Value Consultant, and the designer
Draft Final VE Study Report	Fourteen (14) days after the Decision/Implementation Meeting
Final VE Study Report	Fourteen (14) days after receipt of CLIENT comments on the draft report

**DELIVERABLES**

This value study effort will include the following deliverables, all of which are related to the results of the workshop. These deliverables are:

- Study Team Presentation Handout
- Preliminary Value Study Report
- Draft of the Final Value Study Report
- Final Value Study Report

The Preliminary Report will be prepared in the Value Consultant report format, and will be a compilation of the handwritten products developed in the workshop.

The draft Value Study Report will be prepared in the Value Consultant report format. The purpose of this draft report is to give the Client and other appropriate reviewers the opportunity to check the final Value Study Report prior to its final issuance.

The final Value Study Report is the final documentation of the VE study. The report is a finalized version of the Draft Report including the incorporation of the Client's comments. The submittal of the final report concludes the Assignment.

THE CONSULTANT will provide the Client with the following number of copies of each report:

- Preliminary VE Study Report      \_\_\_\_\_ (fill in # of copies desired)
- Draft of Final VE Study Report      \_\_\_\_\_ (fill in # of copies desired)
- Final VE Study Report      \_\_\_\_\_ (fill in # of copies desired)



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# **Pro Forma Form of Agreement for Value Consulting Services**

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THIS AGREEMENT is made this INSERT DAY day of INSERT MONTH, 20xx

BY AND BETWEEN

**INSERT NAME OF CLIENT**

(hereinafter called the "Client")

AND

**INSERT NAME OF VALUE CONSULTANT**

(hereinafter call the "Value Consultant")

WHEREAS, the Client desires to enter into an agreement with the Value Consultant whereby the Value Consultant will provide professional services as described more fully in Exhibit "A annexed hereto (the "Services") as they relate to:

**Insert description of project, product, system or study object (the "Assignment")**

AND WHEREAS, the Value Consultant agrees to provide such services and the Client agrees to compensate the Value Consultant for such services on the following basis:

**Insert Basis of Compensation and Agreed Budget**

NOW, THEREFORE, the parties hereby agree to the following Terms and Conditions:

1. This agreement will commence on Insert Commencement Date (Commencement Date)  
and continue in effect until Insert Completion Date (Completion Date).
2. The Value Consultant is authorized to perform such services as described herein in accordance with the Terms and Conditions of this Agreement. The Value Consultant warrants that such services will be rendered with the degree of care, skill and diligence normally provided on work of similar nature and in conformity with best management practices as published from time to time by SAVE International.
3. The Client agrees that it retains the full responsibility for acting upon any of the value suggestions that may arise from the Assignment. The Client agrees to indemnify and save harmless the Value Consultant from any and all actions arising from the execution of any and all of the value suggestions that may arise from the Assignment.



4. All work is to be undertaken under the direction of the Client as represented by the Assignment Manager or a designated representative. The Value Consultant acknowledges that overall authority, general direction, policy decisions and responsibility for coordination of Services resides with the Client. However, without limiting the generality of the foregoing, the Value Consultant may, in its sole discretion, determine the method, manner and timing by which Services will be provided under this Agreement. The Value Consultant will comply at all times during the term of this Agreement with all reasonable requests, rules and policies of the Client in connection with providing the Services.
5. The Value Consultant is not an agent of the Client and may not bind or commit the Client in any way without prior written authorization.
6. The Value Consultant acknowledges and agrees that all information related to the operations of the Client, including but not limited to financial information, internal communications, correspondence, minutes of meetings, operating practices, Client lists, software and Assignment-related information is to be considered confidential and not be disclosed to third parties or used to the personal advantage of the Value Consultant without the prior written consent of the Client provided however that the Value Consultant may divulge the general nature of the assignment and the name of the Client for business development purposes.
7. All materials and property of the Client used by the Value Consultant for the purposes of carrying out this Assignment are to be returned promptly upon termination or completion.
8. The copyright for all work completed by the Value Consultant pursuant to this Agreement shall be assigned to the Client.
9. The Value Consultant will comply with all statutory and other legal requirements in the performance of services under this Agreement, and agrees to indemnify and save harmless the Client in respect of any costs, penalties, damages or payments of any nature or kind whatsoever which the Client may be directed to pay as a result of the Value Consultant's failure to do so.
11. This Agreement may be terminated by either Party without cause at any time prior to the Completion Date by delivering written notice to the other Party one (1) month in advance. The Value Consultant shall be entitled to compensation upon termination of the Agreement for services provided up to the date of termination provided that the Value Consultant mitigates expenses during the notice period.
12. This Agreement may be terminated immediately, without further obligation, by either party for cause.
13. The Value Consultant may not assign any portion of the work without the prior consent of the Client expressed in writing.
14. This Agreement constitutes the entire agreement and understanding between the parties and all other prior agreements, whether oral or written, are superseded by this Agreement.
15. This Agreement shall be interpreted in accordance with the laws of **Insert Jurisdiction**.
16. All disputes arising out of or in connection with this Agreement must first be addressed with the assistance of a mediator mutually acceptable to both parties, or if that is not possible, a mediator who is not in any way financially interested in the businesses of the parties to the Agreement appointed by an accredited arbitration centre, who will review the dispute within 21 days from the date notice of the dispute is made, or longer if mutually agreed by the parties. The cost of the mediation process is to be borne by the respective parties or shared as determined by the mediator.



*Pro-Forma*  
Form of Agreement  
Value Consulting Services

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first written above.

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Witness

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Value Consultant

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Witness

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Client



*Pro-Forma*  
Form of Agreement  
Value Consulting Services

## **EXHIBIT "A"**

### **SERVICES**

Insert Request Value Consultant's Proposal