



## Legislation Text

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**File #:** ORD. 2019-118, **Version:** 1

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To amend City Code ch. 2, art. IV, div. 1 by adding therein a new § 2-239, concerning value engineering, for the purpose of requiring value engineering for projects costing more than \$5,000,000.00. (As Amended)

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 2, Article IV, Division 1 of the Code of the City of Richmond (2015) be and hereby is amended and reordained by **adding therein a new section** numbered 2-239 as follows:

**Sec. 2-239. Value engineering.**

(a) *Definitions.* For purposes of this section:

(1) “*Project*” means a capital project set forth in the City’s capital improvement program.

(2) “*Value engineering*” means a systematic process of review and analysis of a project by a team of persons not originally involved in the project to offer suggestions that [~~would~~] may improve project quality and reduce total project cost by combining or eliminating inefficient or expensive parts or steps in the original proposal or by totally redesigning the project using different technologies, materials, or methods.

(b) *Requirement.* The City department or other agency identified in the Mayor’s most recently proposed capital improvement program as the department responsible for a particular project shall ensure that the value engineering process set forth in the most recent edition of the Commonwealth of Virginia Construction and Professional Services Manual is employed for any such project costing more than \$5,000,000.00 after the completion of the preliminary design phase but before the commencement of the final design phase. Value engineering may also be used for any project costing \$5,000,000.00 or less. For purposes

of this section, the cost of a project includes the total value of all phases or other parts of a project without regard to the manner in which those phases or other parts are set out in the capital improvement program. The team of persons that engages in value engineering for a project shall include appropriate professionals licensed in accordance with Code of Virginia, tit. 54.1, ch. 4.

(c) *Report.* The review developed pursuant to subsection (b) of this section shall be compiled in a value engineering report and submitted to the Chief Administrative Officer or the designee thereof. Each item included in the value engineering report shall have a status designation of accepted, declined, or accepted as modified. The Chief Administrative Officer or the designee thereof, within 45 days, must approve the value engineering report and submit a copy of the approved value engineering report to the City Council before the project may move to the next phase of design.(d) *Exceptions to Requirement.* A value engineering report shall not be required for projects that (i) are designed utilizing either the design-build or construction management at risk basis ~~[and]~~, (ii) have the value engineering process as an integral component, or (iii) involve the construction of or improvements to transportation infrastructure, utility infrastructure, or utility facilities unless the Chief Administrative Officer otherwise requires such a report. In such cases, a written summary of the cost savings that have been incorporated into the design shall be provided to both the Chief Administrative Officer or the designee thereof and the City Council prior to moving forward to the construction phase of the contract. In addition, a value engineering report shall not be required for projects to construct or repair a public way as defined in Section 24-1 unless a federal or state law or regulation or the Chief Administrative Officer requires a value engineering report.

(e) *Waiver of Requirement.* The City Council, by resolution, may waive the requirements of this section for any proposed project for compelling reasons. The resolution must state the reasons for the waiver and apply only to a single project.

§ 2. This ordinance shall be in force and effect upon adoption.

