OBO Industry Advisory Panel
Value Engineering

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December 13, 2007

Positive Improvements

- OBO has a well managed program
- High level of support from the OBO leadership
- Multiple and diverse teams under contract with the ability to get expert consulting
- Maturation of the VE program
- Effective changes in the SED program
- Future possibilities

Positive Improvements

- Moving the VE studies earlier in the process to feasibility studies and pre-bid
  - Improved Leverage over value improvements
  - Less conflicts with bidders
  - OBO realizes more of the value improvements
- OBO project team positive involvement
  - Interactive
  - Creative input

Increasing focus on non-construction issues

- Long-range planning
- Operations and Maintenance
- LEED

Positive Changes to the SED

- Regular suggestions implemented into subsequent SED
  - Changes to the Atrium
  - Changes to the Shops and Warehouses
  - General Requirements
- Feasibility/ Bridging documents
  - Breaking away from template
  - Creative solutions for applying the SED program customized to various posts.
- Improved value for US Diplomatic facilities

Assessment Trips

- Confirmation of implementation
- Contractor Input
- Project management input
- Assessment of effectiveness of various VE ideas
- Allow for the growth of the effectiveness of the VE program
- Improve the service to US Embassy projects

VE Teams

- Staffed with experienced professionals in the design of diplomatic missions
- Rapid moving sequestered process
- Interaction with the government team
- Interaction with the design team

VE Presentations

- Strong dialog with OBO team
- Participation of design team
- Quality measurement
- Validation of design

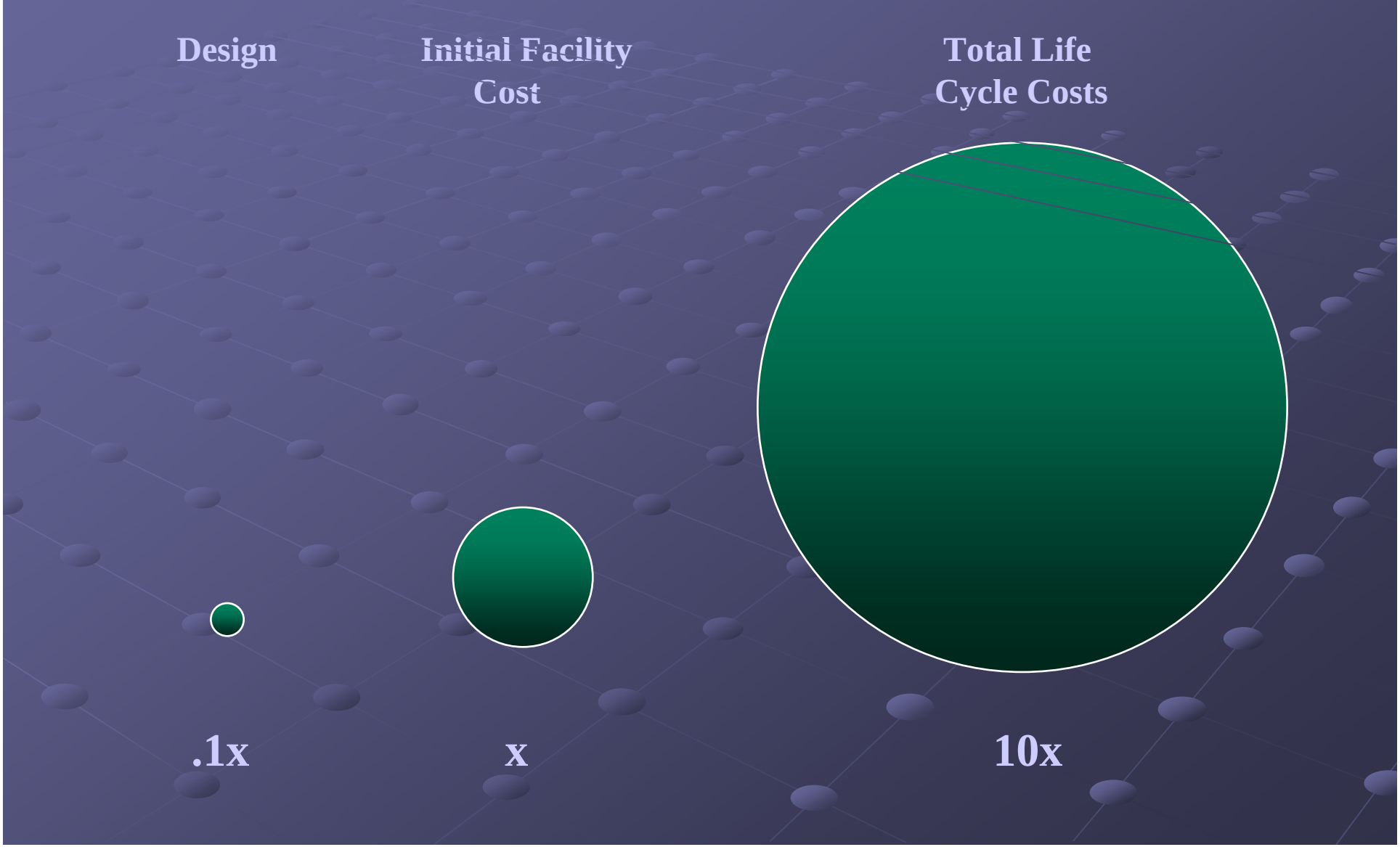
Future changes

- Pre workshop planning meeting
  - Establish mission for the VE team
  - Customize the study
  - Recruit the consulting team
  - Improve quality of data delivered to VE team
  - Improve quality of VE team members

Future Focus:
Broaden Life-Cycle Cost Considerations

- Applies to all Federal Construction VE, not just OBO
- Traditionally VE may consider building O & M costs, such as energy, maintenance, and replacement.
- broadened to consider all LCC costs, such as tenant salaries, which can be ten times initial costs or more.
- Focusing on staff and operations functions and costs opens the door for proposals that reduce them.
- To implement VE teams need Total Life cycle Cost models, including staffing costs.

Total Life Cycle Costs



Future uses of VE

- Create subject specific studies
  - BIM
  - FEBR Windows
  - Evaluation of emerging technologies
  - Maintenance and Operation/ GSO
  - Flow of transaction areas/Consular functions
  - Sensitive areas
  - General Conditions and Bidding
  - Insurance

Building Data Base

- Program Maturation
- Assessment trips
- Recordation
- Data base

Other programs looking at

- Savings/cost avoidance
- Program coverage
- Projected savings
- Qualitative improvements
- Design excellence
- Return on investment
- Reporting

Conclusions for OBO VE Program

- Successful and Mature Program
- Many cutting edge initiatives
- VE creating has been a positive tool facilitating continued improvements in the SED program
- Compares well with other VE programs
- Strong future developments