John Stockwell
McGraw-Hill

Dear John;

Subject: Value Engineering for Architects, Builders, Contractors and Building Owners.

There were about 150 at the first all-day seminar on 2/8.

Prox 100 had never heard a presentation on VE before.

The panels developed the fact that although this is near a $100 billion industry, costs are being allowed to skyrocket. The industry is filled with opportunities to provide all of the USE and Aesthetic Functions the customer or user wants, with large savings in cost, but little is being done to deal with the deterrents to such benefits.

Some of these deterrents are:

The manufacturers. They make and sell what the architects have been specifying and the contractors buying. Any change means a big selling job - expense - possible problems.

The Architects and Engineers. They are working between the manufacturers, the contractors and the owners. Any changes or improvements mean much extra work in persuading all three, overcoming much reluctance to change, and for no pay - often with the lower costs, it means an even lower fee.

The Contractors. They don't want any change. They often bid the job. They have certain equipment, experience, skills. Any change brings uncertainty, possible problems. Leave the job as it is. Raise the costs as required.

The owners. He is comfortable with what he has seen. He will look at improvements if they are worked out and presented to him - if the architects and contractor promote them. He doesn't take the initiative to study out improvements and to promote them.

Codes. Hundreds of obsolete codes, totally disregarding new materials and methods, varying from place to place, keep obsolescence in building practices and allow costs to unnecessarily skyrocket. Who will drive for change in them?
Somewhere, sometime, there will be a meaningful rebellion against continuing to accept the high upward thrust of construction costs necessitated by the factors just enumerated. Maybe its about now.

A thrust is coming from the Public Works Service of the US govt. That is what caused this meeting. They require as a contract item that VE be taught to and hopefully learned by those building for USA. They make it profitable by splitting the saving 50/50.

Our book, at this moment, IS THE ONLY ONE ON THE MARKET WHICH BOTH TEACHES THE BASIC TECHNOLOGY, AND SHOWS (in Chap. 18) HOW TO USE IT IN THE CONSTRUCTION INDUSTRY.

I know of a book being written, which may be out in a few months entirely on use in the Construction Industry.

I made up a few copies of the extracts of the examination enc. and gave out. Wish some one had been there selling our book. Call on me if I can help.

Sincerely,

Larry Miles
TECHNIQUES OF VALUE ANALYSIS AND ENGINEERING
VALUE ANALYSIS AND ENGINEERING TECHNIQUES AND APPROACHES
FOR THE USE OF TEACHERS

CHAP. 1 Concepts and Approaches of Value Analysis and Engineering
(What is it All About?)
1. What is VA trying to do?
2. How is it trying to do it?
3. What is its approach?
4. Why is it needed?
5. When is it needed?
6. When is it not needed?
7. Who uses the approach?
8. How does it relate to professional and management people who are already in place?
9. What constitutes "Value" in a product or service?
10. Who causes good value, or poor value, in a product or service?
11. What pre-existing approaches are emphasized?
12. What new approaches are set forth?
13. How is poor value identified?
14. How do the approaches reduce costs without lowering quality?
15. Where do "Roadblocks" or "Stoppers", which stop or impede the improvement of value, show up?
16. What is meant by "Mind Tuning"?
17. What four separate types are included in "Disciplined Thinking"?
18. Name, a. Three products or services in the "Research and Development stage of their maturity cycle.
   b. Three in the "Growth" stage.
   c. Six in the "Maturity Stage"

CHAP. 2 All Cost is for Function
19. Can you name any appropriate cost which does not contribute to a function that the customer or user wants?
20. What is USE function? Give three examples.
21. What is AESTHETIC function? Give three examples.
22. What is BASIC function? Give three examples.
23. What is SECONDARY function? Give three examples.
24. In a lead pencil, name, a. The basic function.
   b. Some secondary functions which also add costs.

CHAP. 18 Using the System to Reduce Construction Costs
217. Name six or more reasons why so much un-functioning cost exists in the Construction Industry.
218. Give three reasons why changes which keep Use and Aesthetic functions but lower costs are often not brought forth by:
   a. The Engineers?
   b. The Architects?
   c. The Contractors?
   d. The Owners?
219. How do codes prolong obsolescence and unnecessary costs?
220. How do Trade Skills prolong and continue unfunctioning costs?
221. What are the four groups of costs which make up Total, or Life Cycle costs?
222. How might you provide motivation to the Engineers and Architects which might cause them to overcome roadblocks to better value?
223. Ditto - Contractors?
224. Ditto - Owners?
225. Name six or more means for locating cost areas which may contain excessive unfunctioning costs.
226. What are the seven phases in the life cycle of typical construction where use of the VE system often eliminates unfunctioning costs?
227. How do you believe real progress in eliminating some of the nonfunctioning costs in the construction industry will finally be accomplished?
The Building Team VE Seminar
February 8, 1973
Rosslyn, Virginia

PROGRAM

MORNING

8:30-9:30 Registration

9:30 Kickoff
Honorable Larry Winn, Jr.
United States Congress

10:00 Keynote
Arthur F. Sampson
Acting Administrator
General Services Administration

10:30 Coffee

10:45 Value concepts
A. J. Dell'Isola
McKee-Berger-Mansueto Inc.

AFTERNOON

12:00 Luncheon
Speaker
LTGEN Frederick J. Clarke
Chief of Engineers
United States Army

1:30 Panel Sessions
(Attend one of the four sessions
of your choice shown in the next
column)

3:00 Coffee

3:30 Panel Summaries
(reconvene in one group)
Moderator
RADM John G. Dillon, USN
Director of Construction Operations
Department of Defense (I & L)

4:30 Refreshments

CONCURRENT PANEL SESSIONS
(afternoon)

ARCHITECT-ENGINEER PANEL
Panel members:
Louis C. Kingscott
President, LCK & Associates
Donald E. Parker
General Services Administration
Robert R. Ramsey
Vice President, Leo A. Daly Co.
Topics: • Benefits to a private firm
• New Federal VE requirements
• Designing for life cycle costs

OWNER PANEL
Panel members:
RADM John G. Dillon, USN
Department of Defense
Michael N. Zabych
U.S. Army Corps of Engineers
Roland R. Plante
Veterans Administration
Topics: • Determining requirements
• Controlling costs
• Using VE provisions

CONTRACTOR PANEL
Panel members:
Arnold H. Brogan
General Services Administration
Edward Poth
Vice President, Paschen Contractors Inc.
Topics: • VE incentive clauses
• Submitting VE changes
• Building profits

MANUFACTURER PANEL
Panel members:
Rudy H. Kempter
George Washington University
Gershon Meckler
Westinghouse Environmental Systems
Daniel Morgenroth
Owens-Corning Fiberglass
Topics: • Product improvement
• Life cycle costing
• Cultivating new markets