

THE LACY LEDGER

Construction news and trends, plus a little light-heartedness



Value engineering in place: Do you see anything missing from this church? Exactly! In spite of cutting 16% from the original budget, the project turned out to be a very appealing finished product.

Value Engineering: What It Is and What It Isn't

There's a lot of talk about value engineering. But what exactly is it? And how does it work in your best interests as a project owner? According to *Wikipedia*, value engineering was born at General Electric during World War II. Shortages of skilled labor, raw materials and parts forced G.E.'s Lawrence Miles—the father of what he termed “value analysis”—to look for acceptable substitutes. Miles and his team noticed that these substitutions often reduced costs, improved the product, or both.

This systematic methodology was quickly recognized as a powerful approach to problem-solving and value engineering was adopted in many business sectors, including the construction industry. It's a methodology championed by the team at Lacy Construction.

Value engineering is not a euphemism for “cheap.” Properly applied, it's a process for analyzing every material and system used in a building to determine where savings can be gained, without sacrificing quality or performance. Viewing a project through the lens of value engineering requires technical knowledge and skillful analysis by the designer and builder. Benefits of short-term savings (materials and installations costs) are weighed against life cycle costs (maintenance and replacement of materials over a building's life).

According to The Jack Miller Network—a respected source in the construction industry—upfront construction costs account for a mere 11% of the total life cycle costs of a building.

That's why early decisions have such a critical impact on the cost of ownership. Working together, designers

and builders can share their experience and expertise to develop solutions that often result in a significant reduction of costs over the life cycle—even if it means spending a little more at the time of construction.



The exterior value engineering in place.

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We've found the greatest value can be achieved when every phase—from preliminary design and specifications to final detailing—is carefully planned, managed and monitored to optimize time, cost and labor efficiencies. When the design/build team works together from the beginning of a project, the right materials can be specified from the start, thereby avoiding unnecessary change orders and staying on schedule.

Drawing on 60+ years of experience, Lacy has learned to recognize smart and effective ways to manage building costs. "Lacy projects always look great when they're complete," says local businessman and long-time LCC client Scott Zana. "But years down the road, later is when these buildings really start to show their true value."



Value engineering can enhance. Its successful use on this project allowed desired amenities to be included while still holding to the budget.



Scan this QR code with your Smartphone QR app to learn more about Lacy's people and projects.



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