

<p align="center"><b>WASHINGTON TRU SOLUTIONS MANAGEMENT POLICY</b></p> <p><b>TITLE: WTS VALUE MANAGEMENT/ VALUE ENGINEERING PROGRAM</b></p>	<p>Number/Rev. <span style="float:right">MP 1.46, Rev. 1</span> Page <span style="float:right">1 of 2</span></p>
<p>COGNIZANT SENIOR MANAGER:</p> <p>Approval on File <span style="float:right">04/21/10</span> D. W. Freeman, Chief Nuclear <span style="float:right">Date</span> Engineer; Manager, Engineering</p>	<p>APPROVED BY:</p> <p>Approval on File <span style="float:right">05/26/10</span> M. F. Sharif <span style="float:right">Date</span> WTS General Manager</p>

**1.0 PURPOSE**

To establish a Washington TRU Solutions LLC (WTS) value management and value engineering program consistent with DOE Order 413.3A, *Program and Project Management for the Acquisition of Capital Assets*.

**2.0 POLICY**

WTS, under contract with the U.S. Department of Energy (DOE) for management of the Waste Isolation Pilot Plant (WIPP) is committed to a formal value management and value engineering program. This will ensure that project personnel understand how and when to implement value management and value engineering principles to obtain the most effective solutions.

Value management is an organized effort directed at analyzing the functions of systems, facilities, services, and supplies for achieving the essential functions at the lowest life-cycle cost consistent with the required performance, quality, reliability, and safety. Value management encompasses value engineering.

Value engineering is a planned, detailed, review/evaluation of a project to identify alternative approaches to providing the needed assets.

The selected value management/engineering process must identify high-cost project activities in order to realize a maximum return on investment through the use of systems engineering tradeoffs and functional analyses that identify alternate means of achieving the same function at a lower life-cycle cost.

The value management/value engineering process is achieved through:

- Formally addressing value management/value engineering in WTS project execution plans (PXPs).
- Incorporating value engineering in design and execution of the work.
- Providing cost saving incentive clauses, as appropriate, in applicable subcontracts awarded on facility construction projects.

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**3.0 RESPONSIBILITIES**

**3.1 WTS Managers and Project Managers**

WTS managers and project managers are responsible for:

- Using a graded approach in ensuring that value management and value engineering principles are used at WIPP in the design and execution of site work.
- Addressing value management and value engineering in PXP's by having a value management/value engineering section in the PXP.
- Implementing value management and value engineering throughout the project execution phase to ensure that the most cost-effective solutions are implemented, consistent with requirements of performance, quality, reliability, safety, and other elements, as appropriate.

**3.2 WTS Procurement**

WTS procurement managers and procurement specialists are responsible for:

- Providing cost saving ("shared savings") incentive clauses, as appropriate, in applicable contracts awarded on facility construction projects.
- Encouraging suppliers to apply value management and value engineering principles to their products and services.
- Requiring applicable suppliers to flow down relevant value management/value engineering provisions in lower-tier subcontracts, as appropriate.

**3.3 Engineering and Maintenance**

Individual engineers are responsible for using a value management/engineering process that identifies alternate means of achieving the same function at a lower life-cycle, with requirements of performance, quality, reliability, safety, and other elements, as appropriate.

**4.0 REFERENCES**

- DOE Order 413.3A, *Program and Project Management for the Acquisition of Capital Assets*