

The Supporting Statement
Value Engineering Analysis on Federal-aid Highway Projects
Value Engineering 23 CFR 627

Introduction: This is a new request from the Federal Highway Administration (FHWA) for the information collection entitled Value Engineering (VE). The purpose of this new request is to collect the data and information to support FHWA's program oversight of the VE analyses that State Transportation Agencies (STA) conduct on projects that utilize Federal-aid highway program funding (as specified in 23 U.S.C. 106(e) and section 1503 of the Moving Ahead for Progress in the 21st Century Act (MAP-21)). Additionally, this information will allow FHWA to comply with the requirement for all Federal agencies to report annually on the results of the VE analyses that are conducted (as specified in Office of Management and Budget (OMB) Circular 131).

Part A: Justification.

1. Circumstances that make collection of information necessary:

STAs and public agencies are required to conduct a VE analysis on applicable projects that utilize Federal-aid highway program funding (as specified in 23 U.S.C. 106(e) and section 1503 of MAP-21). Applicable projects are defined in MAP-21 as projects on the National Highway System (NHS) (as defined in 23 USC 103) with an estimated project cost greater than \$50 million or bridge projects on the NHS greater than \$40 million that utilize Federal-aid highway program funding. The requirement to provide a VE analysis does not apply to a project delivered using the design build method of construction.

Additionally, Federal agencies are required to establish and maintain a VE program to improve the quality of their programs and acquisition functions, as specified in OMB Circular A-131 on Value Engineering, and section 1503 of MAP-21. The Circular and MAP 21 require Federal agencies to develop and maintain policies and procedures to ensure a VE analysis is conducted on appropriate projects and report annually on the results and accomplishments of the analyses conducted and the program's accomplishments.

In support of these requirements, FHWA will annually collect and report on VE accomplishments achieved within the Federal-aid and Federal Lands Highway Programs. The information collected will allow FHWA to monitor and report on the performance of the VE program nationally and provide assessment data related to FHWA's stewardship and oversight of the STA's VE program. Additionally, this data allows FHWA to assess whether the VE program is meeting the FHWA Strategic Goals for Program Delivery and System Performance. This collection will support DOTs Strategic Goal of State of Good Repair.

2. How, by whom, and for what purpose is the information used:

STAs are required to conduct VE analyses on applicable projects that use Federal-aid highway program funding (as specified in 23 U.S.C. 106(e) and section 1503 of MAP-21)

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to determine if there are alternative approaches and techniques available to improve the quality and cost effectiveness of these projects. The results of each VE analysis conducted and the recommendations implemented will be documented in the STA VE study report prepared for each project. The annual collection of VE Program data requires a summary of the results of all VE analyses conducted by the STAs. Additionally, the information FHWA collects annually from STAs will be used to provide stewardship and oversight of the Federal-aid program, ensure the required VE analyses are conducted, and report on the benefits to the Federal-aid program. This information allows FHWA division offices to work with the STA's in assessing their VE programs, policies and procedures, the VE analyses conducted, and the implementation of approved recommendations.

3. Extent of automated information collection:

STAs and FHWA division offices will submit their information electronically to FHWA headquarters.

4. Efforts to identify duplication:

There is no other recordkeeping requirements imposed by FHWA, other Federal agencies, or national interests, which duplicates this process.

5. Efforts to minimize the burden on small businesses:

The VE information that FHWA will collect will come from 50 STAs, the District of Columbia, and the Commonwealth of Puerto Rico. No small businesses are involved.

6. Impact of less frequent collection of information:

The information collection and record keeping activities are required only on those applicable projects where STA's are using Federal-aid highway program funding. STA's are required to conduct a VE analysis on projects \$50 million or greater on the NHS, and any bridge projects on the NHS \$40 million or greater in order to be eligible for Federal-aid funding.

In addition to FHWA's stewardship and oversight of the STAs' VE programs and ensuring the VE analyses are conducted on required projects, this information will be used to assess the STA's VE program to identify opportunities for improvement and corrective actions. FHWA would not be able to meet OMB Circular A-131 or MAP-21 requirements if the information collection occurred less frequently. In addition, less frequent data collection would adversely affect FHWA's efforts to monitor the VE program, report on the performance of the VE program and identify VE trends.

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7. Special circumstances:

There are no special circumstances associated with this information collection.

8. Compliance with 5 CFR 1320.8:

The FHWA published a Notice of Proposed Rulemaking in the Federal Register on August 29th, 2013 at 78 FR 53380

which solicited public comments regarding this new information collection requirement. No comments regarding this information collection were received.

9. Payments or gifts to respondents:

There are no payments or gifts to be provided to the respondents.

10. Assurance of confidentiality:

None of the information is considered confidential.

11. Justification for collection of sensitive information:

There are no questions of a sensitive nature.

12. Estimate of burden hours for information requested:

The estimated burden to compile the results of each VE analysis that is conducted is 30 minutes. On average, there are approximately 400 VE analyses that are annually conducted nationwide. Therefore, it is estimated that 200 hours are expended nationally to compile the results of the VE analysis.

The estimated burden to collect, summarize and submit the annual results of the STA VE program is 3 hours for each State DOT, the District of Columbia, and Puerto Rico. Therefore, it is estimated that 156 hours are expended to collect, summarize and submit the annual VE program results to FHWA.

The total burden to the STAs for this information collection requirement is estimated to be 356 hours.

13. Estimate of total annual costs to respondents:

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Salary costs associated with the burden hours defined in section 12 are estimated at \$40 per hour. Therefore the total estimated annual salary costs for all respondents are: 356 hours @ \$40 per hour = \$14,240.

14. Estimate of cost to the Federal government:

The estimated costs to collect, summarize and submit the annual results of the VE analyses conducted is approximately 2 hours for each Division. Therefore, it is estimated that FHWA expends about 104 hours of staff time to for the collection, compilation, and review of the information.

The estimated cost for FHWA in headquarters to collect, summarize and post the annual VE Performance Report and VE Accomplishments Report is 80 hours.

The total estimated cost to the FHWA is calculated as follows:

Total Estimated Cost: 184 hours @\$40 = \$7,360

15. Explanation of program changes or adjustments:

This is a new information collection request.

16. Publication of results of data collection:

The FHWA will publish the results of the VE information collected annually on FHWA's web site. None of the information collected is to be published for statistical use.

17. Approval for not displaying the expiration date of OMB approval:

There is no request to not display the expiration date of the OMB approval for this information collection requirement.

18. Exceptions to certification statement:

There are no exceptions to the certification statement for this information collection request.