Application of Value Engineering in Construction Building

I. INTRODUCTION

1.1 BACKGROUND

The construction sector is one of the main players in economic growth. In India it is the second highest employer, after agriculture, employing over 32 million people. The construction sector in India accounts for 5% of the gross domestic product and 38% of the gross domestic investment. The construction sector is broadly divided into four areas: infrastructure (54%), industrial (36%), residential (5%) and commercial (5%). According to estimates, the construction business volume is about Rs. 2400 billion. Earlier the industry was growing at over 10%, which decelerated due to the economic slowdown. Now it is looking up again.

Construction industry is an index of growth of a nation. Today, the construction industry is the second largest employing skilled and semiskilled labour after agriculture and plays an important role in our nation’s economy. Due to increase in business opportunity and migration of labour, the demand for commercial and housing spaces has also increased. According to the tenth five year plan (July, 2003), the estimate of shortage in urban housing is assessed to be 8.89 million units. As of now, the housing and construction industry employs 30 million people and about 250 industries are associated with construction industry directly or indirectly.

Keeping costs low with traditional methods has been a common practice to improve competitiveness. Saving money and, at the same time, providing better value is a concept that everyone emphasizes. Value Engineering is a practice whose goal is, always, to achieve value for money.

Value Engineering aims to deliver measurable value improvements through cost reduction and or improve quality and enhance design features for the customer. These disciplines cannot be ignored if a company is to continue meeting the rising expectations of its customer, who will always take their business to where they can get the highest quality at the lowest possible price.

PROJECT DETAILS OF STUDY

SP Info City IT Park at Perungudi has been designed as a green building as per world class systems & procedures

RESULTS AND DISCUSSIONS

2.1 GENERAL

The chapter provides an insight into various aspects of implementation Phase and Functional Analysis Phase – techniques like NEFR (Numerical Evaluation of Functional Relationship) Methods are used with the procedures involved with implementation of the same in the case study.

2.2 INVESTIGATION PHASE

The first phase of VE is called Information Phase. In this phase all the pertinent aspects of the project were studied. This phase involves defining the project, obtaining the background information, limitations and constraints during design and execution and sensitivity to cost involved in owning and operating a facility. The primary purpose is to obtain as much information as possible, of the project design.

The VE study should try to find the rationale used by the designers for the development of the project and the assumptions and design criteria established for selecting materials and equipments to perform the required functions. The intention is not to criticize but to come up with different alternatives aiming at reduction of project cost.

Several areas of information needed for the VE study during the information phase could be as follows.

i. Design Criteria (System requirement)
ii. Site Condition (Topography, Soil condition, Soil boring, Surrounding areas, Photographs)
iii. Background of the project
iv. Available resources
v. Requirements resulting from public participation
vi. Breakup of cost estimated.

The above information allows the VE study to empathize with the design and other criteria that defined the project development.

2.3 FUNCTION ANALYSIS PHASE

Functional analysis is the primary component of VE. It forces one to broaden the understanding of the project more comprehensively, by simulating intense discussion. A discussion is similar to “out of the box” thinking.

Typical evaluation criteria for assessing value are:

Initial cost, Energy cost, Return on profit, Functional performance, Reliability, Ease of maintenance, Quality, Saleability, Regard or esthetics and Environment owner requirements.
Safety.

2.4 IMPLEMENTATION OF FUNCTIONAL ANALYSIS
All the components of the building under consideration were listed, with their quantities and cost as shown in table 2.1

Table 2.1 Definition Worksheet

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost  Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total RCC work</td>
<td>38500</td>
<td>Cu.m</td>
<td>20,72,05,763</td>
</tr>
<tr>
<td>2</td>
<td>Total brick masonry work</td>
<td>22830</td>
<td>Sq.m</td>
<td>2,02,06,230</td>
</tr>
<tr>
<td>3</td>
<td>Internal Plastering</td>
<td>48000</td>
<td>Sq.m</td>
<td>48,00,000</td>
</tr>
<tr>
<td>4</td>
<td>External Plastering</td>
<td>42273</td>
<td>Sq.m</td>
<td>80,31,870</td>
</tr>
<tr>
<td>5</td>
<td>Doors (MS Frame with glass shutter, fittings &amp; joinery)</td>
<td>2,35,67,300</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SP Info City IT Park

FUNCTIONAL DEFINITION WORKSHEET
The individual components were analyzed for their functionality. A number of functions for each component were elucidated and based on the type of function it performs; they were designated as “B” for basic or “S” for secondary function.

From this functional analysis, the basic functions of each of the components were clearly understood.

Table 2.2 Functional Definition Worksheet

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost  Rs.</th>
<th>Function</th>
<th>Kind of Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total RCC work</td>
<td>38500</td>
<td>Cu.m</td>
<td>20,72,05,763</td>
<td>Facilitate Function</td>
<td>B</td>
</tr>
<tr>
<td>2</td>
<td>Total brick masonry work</td>
<td>22830</td>
<td>Sq.m</td>
<td>2,02,06,230</td>
<td>Exclude Elements Divide Space Facilitate Use</td>
<td>B S B</td>
</tr>
<tr>
<td>3</td>
<td>Internal Plastering</td>
<td>48000</td>
<td>Sq.m</td>
<td>48,00,000</td>
<td>Hide Defects Improve aesthetics Prevent Water</td>
<td>B S S</td>
</tr>
<tr>
<td>4</td>
<td>External Plastering</td>
<td>42273</td>
<td>Sq.m</td>
<td>80,31,870</td>
<td>Hide Defects Improve aesthetics Prevent Water</td>
<td>B S S</td>
</tr>
<tr>
<td>5</td>
<td>Doors (MS Frame with glass shutter, fittings &amp; joinery)</td>
<td>2,35,67,300</td>
<td></td>
<td></td>
<td>Control Access Connect Spaces</td>
<td>B S</td>
</tr>
</tbody>
</table>

Total = 43,43,89,858

Source: SP Info City IT Park

2.5 TECHNIQUES USED IN FUNCTIONAL ANALYSIS
Functional Analysis Phase disintegrates the system or project into small components and searches for function that each facility or element performs.
As explained earlier, the project can be based on hierarchy of function level. But in large complex projects, this gets increasingly difficult. Also in many cases, there may be unnecessary functions with respect to the scope of study.

The techniques used for functional analysis phase is -- NEFR Method

2.6 NUMERICAL EVALUATION OF FUNCTIONAL RELATIONSHIPS

This is a technique, which is based on the concept of Function Analysis for the purpose of evaluation of the functions. Through this technique the interrelationship among the function and their hierarchical order can be very well identified.

After the function defined has been done and the function definition worksheet is ready, this technique starts. In our case study we have followed the NEFR technique for doing our analysis.

To do the ranking of all the alternatives and find the best of them a simple methodology is carried out and the technique has its essence in the mutual comparison where each is compared with all others and points are given based on the their differences.

Major difference in preference : 4  
Medium difference in preference : 3  
Minor difference in preference : 2  
No difference in preference : 1

When the function A is evaluated with B, then A is evaluated with next function C and this is continued till all the 6 functions are compared with all other functions and rated.

2.7 IMPLEMENTATION OF NEFR TECHNIQUE

In NEFR technique, all the functions that were performed by various elements of the building were listed as shown in Table. Each one of the criteria was compared with all other criteria as shown in figure. They were scored based on the priority in comparison with others. For example, “facilitate foundation” having the symbol A was compared with “exclude elements” having the symbol B. To facilitate foundation was given more priority compared to exclude elements. Hence a rating “A” was given. The magnitude of priority was compared in the intersection of A and B, A3 was indicated. Once the scoring for the entire criterion was determined, all the scores of individual symbols were added to get the total raw score and a ranking based on the scores in ascending order. To derive the weighted score, the lowest raw score was given 1, the highest was given 10. All other criteria scoring in-between were interpolated to get the weighted score as shown in below table.

### 2.6 TECHNIQUES USED IN SPECULATION SPACE

Below are the methods that are commonly used creative techniques in the Value Engineering study.

1. The Gordon Technique
2. Synectics
3. Lateral Thinking
4. Checklists
5. Brain Storming

Other Techniques

Some of the other techniques that can be used in speculation phase are

1. Attribute Listing Techniques
2. Crawford Slip Writing Technique
3. Philips 66 buzz session

2.7 IMPLEMENTATION OF SPECULATION PHASE

In our Value Engineering study of the Speculation Phase, we have used the Brainstorming technique. For each item and function separate worksheets have been prepared. Constant ranking of ideas is done at every stage. Alternative methods are tabulated in the worksheet of each item and the quantity and quality of ideas is alone taken in to consideration. The worksheet for each item and function are tabulated as follows.

The items under consideration are

- Footings, Columns, Slabs, Walls, Staircase foyer, Flooring, Plastering, Service ducts cover, Ventilators and Parking Flooring.

### i. SERVICE DUCTS COVER

Basic Function : Facilitate Use  
Rate : Rs. 1159/sq.m. (Materials only)  
Quantity : 360sq.m.

#### TABLE 2.4 SPECULATION WORKSHEET FOR SERVICE DUCTS COVER

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Concrete and Brickwork</td>
</tr>
<tr>
<td>2.</td>
<td>Jalli work</td>
</tr>
<tr>
<td>3.</td>
<td>Kudappa slabs</td>
</tr>
<tr>
<td>4.</td>
<td>Glazings</td>
</tr>
<tr>
<td>5.</td>
<td>Brickwork and Kudappa</td>
</tr>
</tbody>
</table>

2.8 IMPLEMENTATION OF EVALUATION PHASE IN STUDY

#### i. SERVICE DUCTS COVER

Basic Function : Facilitate use  
Original Idea : Framed structure with brickwork masonry and concrete jalli of 2’6” X 3’6” at equal intervals.

#### TABLE 2.5 EVALUATION CRITERIA FOR SERVICE DUCT COVER

<table>
<thead>
<tr>
<th>Code</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Initial Cost</td>
</tr>
<tr>
<td>B</td>
<td>Aesthetics</td>
</tr>
<tr>
<td>C</td>
<td>Maintenance</td>
</tr>
<tr>
<td>D</td>
<td>Durability</td>
</tr>
<tr>
<td>E</td>
<td>Progress rate in construction</td>
</tr>
<tr>
<td>F</td>
<td>Strength</td>
</tr>
<tr>
<td>G</td>
<td>Material Availability</td>
</tr>
<tr>
<td>H</td>
<td>Heat of moisture Resistivity</td>
</tr>
</tbody>
</table>

Now applying NEFR method to rate the ideas.
CONCLUSION

It may be briefed here that Value Engineering aims to deliver measurable value improvements through cost reduction and/or improve quality and enhance design features for the customer. This has been systematically applied in the architectural, structural and material components of the building.

During the study, the alternatives and currently existing facilities were evaluated by conducting a fairly detailed rate analysis, technical feasibility and aesthetic survey.

The key areas where Value Engineering has been applied are

i. Column, beam and slab designs
ii. Safety to lift and staircase users
iii. Use of new and better technology materials for walls, windows
iv. Use of aesthetically pleasing and more durable materials without increase in cost
v. Making the building more user-friendly for physically challenged and old citizens, adding a touch of humanity.

With the development of the proposals and by projecting the increased values, the Value Engineering study comes to an end.

The enhancement in value as a result of VE can be seen in better arrangement of lift and foyer area providing better utility. The walls have been replaced by high quality, durable and light weight “Siporex” blocks. The provides increased comfort to user of the building as they are thermal resistant, meaning the temperature inside is lesser (upto 7°C) compared to external temperature.

The requirements of the user were kept in mind during the study, and hence ramps are provide in the entrance area so that physically challenged and old people can use the facilities independently.

“NCL Seccolor” windows have been recommended as they have increased life, provide 100% opening and are extremely beautiful compared to aluminum windows.

The requirements of structural aspects have been looked into M30 grade concrete has been suggested in place of M35, as it was found to be sufficient to transfer the loads effectively.

These are some of the value-engineered elements that are believed to provide more comfort to the ultimate user without compromising on the quality, time or cost.

This proves the scope and application of Value Engineering in building construction is tremendous, from both the developers and buyers point of view. Until recent times, VE was applied only in large turnkey projects like waste water treatment plants.

It is sincerely hoped that this study opens new dimensions in the construction industry for the purpose of providing the best facility ultimately to the end user.

TABLE 2.6 WEIGHTED EVALUATION CRITERIA FOR SERVICE DUCTS COVER

<table>
<thead>
<tr>
<th>Item</th>
<th>Code</th>
<th>Raw Score</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Cost</td>
<td>A</td>
<td>12</td>
<td>5.45</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>B</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>Maintenance</td>
<td>C</td>
<td>8</td>
<td>3.63</td>
</tr>
<tr>
<td>Durability</td>
<td>D</td>
<td>5</td>
<td>2.27</td>
</tr>
<tr>
<td>Progress rate in construction</td>
<td>E</td>
<td>10</td>
<td>4.54</td>
</tr>
<tr>
<td>Strength</td>
<td>F</td>
<td>7</td>
<td>3.18</td>
</tr>
<tr>
<td>Material Availability</td>
<td>G</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Heat of moisture Resistivity</td>
<td>H</td>
<td>5</td>
<td>2.72</td>
</tr>
</tbody>
</table>

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TABLE 2.7 WEIGHTED MATRIX SHEET FOR SERVICE DUCTS COVER

<table>
<thead>
<tr>
<th>Criteria</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Score</td>
<td>12</td>
<td>22</td>
<td>8</td>
<td>5</td>
<td>10</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>111.09</td>
</tr>
<tr>
<td>Weighted Score</td>
<td>5.45</td>
<td>10</td>
<td>3.63</td>
<td>2.27</td>
<td>4.54</td>
<td>3.18</td>
<td>1</td>
<td>2.72</td>
<td>88.9</td>
</tr>
</tbody>
</table>

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