



COLORADO

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Office of the Chief Engineer

Design Bulletin

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Value Engineering Study Threshold
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Value Engineering Study Threshold

The Project Development Manual previously stated that value engineering studies were required on design projects with an estimated total cost of \$40 million dollars or more, and any other project that the United States Secretary of Transportation determines to be appropriate. The \$40 million threshold was previously outlined in the Colorado Department of Transportation (CDOT)/Federal Highway Administration Stewardship and Oversight Agreement (SOA). However, the CDOT/Federal Highway Administration SOA executed on August 14, 2024, does not establish a value engineering study threshold.

As a result, the CDOT value engineering study threshold is now established by the Code of Federal Regulations (CFR). 23 CFR 627.5 states that value engineering analysis shall be conducted on each project on the National Highway System with an estimated total project cost of **\$50 million** or more that utilizes Federal-aid highway funding. Section 2.13 of the Project Development Manual, which now reflects the current **\$50 million** dollar threshold – defines total project cost as the cost of all phases of a project prior to award, including environmental, design, right of way, utilities, construction, and construction engineering costs.

Please download the latest version of the Project Development Manual from the [Business Center - 2024 Project Development Manual](#) at your earliest convenience and contact Jerome.Estes@state.co.us with any questions.