

TERMS OF REFERENCE

FOR

VALUE MANAGEMENT CONSULTANCY SERVICES

FOR

[PROJECT TITLE]

1. INTRODUCTION

Project Background

[briefly explain the project background information]

2. STUDY OBJECTIVES

Stage of Value Management Consultancy Services:

- i. Value Planning (Strategic / Concept)
- ii. Value Engineering (Schematic Design)
- iii. Value Engineering (Detailed Design)
- iv. All Stages

[select whichever is relevant]

3. STUDY OBJECTIVES

Objectives:

eg.

- i. Validate project scoping
- ii. Validate master plan
- iii. Optimise design & cost

[Identify the VM study objectives]

4. SCOPE OF SERVICES

Scope of services shall refer to Table A.1 – Scope of VM Services as approved by the Institute of Value Management Malaysia (IVMM) according to the stage of VM.

5. DURATION

Duration for the VM services is based on item 4.0 above is [insert] weeks. VM Consultant shall describe the VM implementation schedule.

6. INFORMATION TO BE PROVIDED BY THE CLIENT

eg.

- i. Project Brief
- ii. Master Plan Layout
- iii. Architectural Concept
- iv. Schedule of Areas
- v. Design Assumptions
- vi. Preliminary Cost Estimate

[list down the relevant information]

7. DELIVERABLE

The deliverable for the services is VM report which shall be prepared by the VM Consultant for the project with the following contents:

- i. Executive Summary
- ii. Project Musts
- iii. Function Analysis / FAST Diagram
- iv. List of Ideas
- v. Action Plan
- vi. Project Information Background
- vii. Agenda
- viii. List of Participants
- ix. Advantages & Disadvantages of Evaluated Ideas
- x. Cost Model / Cost Estimates

8. REGISTRATION

VM Consultant shall be registered with the Ministry of Finance Malaysia (MOF) with relevant code. The principal shall be a Certified Value Manager (CVM) registered by the Institute of Value Management Malaysia (IVMM).

9. PROFESSIONAL FEE

The professional fee for VM scope of services shall be based on Table B.1 & Table B.2 - Schedule of VM Fees as published by the Institute of Value Management Malaysia. The basis of calculation is cost estimate of project before the VM study. The fee shall subject to Services Tax. Any reimbursable expenses shall be based on submission of actual receipt.

10. CONFIDENTIALITY

VM Consultant shall not, directly or indirectly communicate, disclose, use, or in any way exploit or permit to be disclosed, used or exploited all or any part of the Materials disclosed to it in the course of providing the Services, nor shall VM Consultant make public any information as to the recommendations, assessment and opinions formulated in the course of or as a result of the provision and performance of the Services, nor shall VM Consultant make or cause to be made any press statement or otherwise relating to the Materials or reports nor publish or cause to be published any Material whatsoever relating to the Services without the prior approval of the Client.

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No	Stage	Pre-Study	VM Workshop	Post Study
1	Strategic / Concept	<ul style="list-style-type: none"> • Data collections and analysis • Liason with relevant parties involved in Project Budget, Planning and other stakeholders • Confirming venues, participants and set agendas, duration and frequency for VM study • Any other activities deemed necessary 	<ul style="list-style-type: none"> • Establishing project vision, mission, objectives, programmes and activities • Validate Project Brief • Finalise Programmes and schedules • Any other activities deemed necessary 	<ul style="list-style-type: none"> • Preparation of VM Study Report • Presentation to the management (if necessary) • One time follow up
2	Schematic Design	<ul style="list-style-type: none"> • Data collections and analysis • Liason and meetings with relevant parties involved in Project Budget, Planning and other stakeholders • Visit sites • Confirming venues, participants and set agendas, duration and frequency for VM study • Check the user's requirements &Project Brief • Prepare Space Function Analysis, Cost Model • Any other activities deemed necessary 	<ul style="list-style-type: none"> • Validate Space Function Model • Finalise Function Analysis • Direct the Study sessions • Prepare and validate F.A.S.T. Diagram or User Logic Diagram whichever applicable • Facilitate in generaing ideas and finalise alternative solutions • Preparation of list of recommendations • Any other activities deemed necessary • Check & evaluate LCC (optional) 	<ul style="list-style-type: none"> • Preparation of VM Study Report • Presentation to the management (if necessary) • One time follow up
3	Detailed Design	<ul style="list-style-type: none"> • Data collections and analysis • Liason and meetings with relevant parties involved in Project Budget, Planning and other stakeholders • Visit sites • Confirming venues, participants and set agendas, duration and frequency for VM study • Check the user's requirements &Project Brief • Prepare Space Function Analysis, Cost Model • Identify elements and components for VM Study • Any other activities deemed necessary 	<ul style="list-style-type: none"> • Finalise Function Analysis • Prepare and validate F.A.S.T. Diagram or User Logic Diagram whichever applicable • Direct the Study sessions • Facilitate in generaing ideas and finalise alternative solutions • Validate options • Preparation of list of recommendations • Any other activities deemed necessary • Check & evaluate LCC (optional) 	<ul style="list-style-type: none"> • Preparation of VM Study Report • Presentation to the management (if necessary) • One time follow up

Table A.1: Scope of Value Management Services

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	Size of Projects (RM)	Stage		
		Strategic / Concept (RM)	Schematic Design (RM)	Detailed Design (RM)
A	<1,000,000.00	26,000.00	39,000.00	52,000.00
B	1,000,001.00 - 5,000,000.00	32,500.00	45,500.00	58,500.00
C	5,000,001.00 - 10,000,000.00	39,000.00	52,000.00	65,000.00
D	10,000,001.00 - 20,000,000.00	45,500.00	65,000.00	71,500.00
E	20,000,001.00 - 40,000,000.00	52,000.00	71,500.00	84,500.00

Table B.1: Schedule of Value Management Fees (Category I)

	Size of Projects (RM)	Stage		
		Strategic / Concept (%)	Schematic Design (%)	Detailed Design (%)
A	40,000,001.00 - 80,000,000.00	0.096	0.191	0.220
B	80,000,001.00 - 120,000,000.00	0.078	0.155	0.178
C	120,000,001.00 - 160,000,000.00	0.069	0.138	0.159
D	160,000,001.00 - 200,000,000.00	0.064	0.127	0.147
E	200,000,001.00 - 280,000,000.00	0.060	0.118	0.138
F	280,000,001.00 - 400,000,000.00	0.055	0.108	0.126
G	400,000,001.00 - 600,000,000.00	0.052	0.105	0.112
H	600,000,001.00 - 800,000,000.00	0.040	0.081	0.096
J	> 800,000,001.00	0.033	0.065	0.081

Table B.2: Schedule of Value Management Fees (Category II)