

Audience Handout Package

Value Engineering Driven Construction Contract and Defect Claims
12/17/2026



DATE

10/6/2026

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Pete Fowler
CONSTRUCTION
Services, Inc.

Project #25-1187



Date: 10/6/2026
From: Pete Fowler Construction Services, Inc.
Project: Value Engineering Driven Construction Contract and Defect Claims 12/17/2026 (PFCS 25-1187)
Regarding: Audience Handout Package

Meet the Panel

Catherine Deter

PARTNER - WOOD, SMITH, HENNING & BERMAN LLP

Catherine Deter is a highly accomplished trial lawyer and partner at WSHB's Orange County office. With a wealth of experience in defense litigation, Catherine is known for her exceptional representation of national and regional construction, engineering, and architectural firms, as well as real estate professionals.

Catherine's passion lies in protecting the rights of architects, engineers, and other design professionals. She prides herself on her ability to quickly resolve complex claims and favorably represent creative individuals. In addition, Catherine has successfully represented some of the country's largest builders and developers, showcasing her expertise in construction litigation.

As a thought leader in errors and omissions (E&O) claims, design professional, and construction, Catherine is frequently invited to speak at national conferences and contribute as an author in renowned publications. Her insights and knowledge are highly sought after, making her a respected authority in the field.



Elgin Hakala

EXPERT - PETE FOWLER CONSTRUCTION

A licensed general contractor in the state of California, Elgin Hakala brings extensive experience in contracting, remodeling, project management, and team leadership. He has worked hands-on across all major trades, including electrical, plumbing, carpentry, drywall, landscaping, and concrete, and is proficient in interpreting engineering and architectural plans.

Elgin holds a Senior Construction Professional certification from the Project Management Institute (PMI-SCP), a Lean Six Sigma Green Belt, and has applied Matterport 3D modeling technology to support project documentation and analysis. Drawing on years of experience executing full-spectrum home remodels and leading subcontractor teams, Elgin now helps clients navigate complex construction challenges with practical solutions, clear communication, and collaborative leadership.

Gregory Kahn

PARTNER - REMBOLD HIRSCHMAN

Partner in the Construction Law Group at Boyd & Jenerette. Board Certified in Construction Law by The Florida Bar. Recognized by Florida Super Lawyers as a "Rising Star" in the area of Construction Litigation every year since 2017.

Experienced in working with Florida design professionals, contractors, developers, insurance companies and individuals in disputes related to construction defect litigation, insurance defense, commercial litigation, contract drafting/negotiation, claim evaluation, arbitration, risk management, subrogation, and pre-claim consulting.

Frequent speaker on construction law matters, and available to provide continuing education seminars to industry associations and in-house corporate presentations.



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INTRODUCTION

In today's economic climate, volatile material costs, supply chain disruptions, and labor shortages have pushed "value engineering" to the forefront of project planning. However, when value engineering strays from legitimate value design into reckless cost-cutting, it has the potential to become a driver of construction contract disputes and long-term defect claims. Removing structurally necessary components or substituting lower-tier materials to meet immediate budget constraints can risk trading short-term savings for multi-million-dollar future litigation.

Designed for owners, contractors, attorneys, and claims professionals, this presentation serves as a "map of the terrain" for navigating value-engineering-driven claims. We will unpack the distinction between value analysis and financial short-sightedness, demonstrate how quality management frameworks mitigate exposure, and share practical strategies for resolving multi-party claims efficiently. Attendees will leave equipped with the language and framework needed to recognize risks early and protect project outcomes.

PROGRAM OUTLINE

1. Introduction
2. What Value Engineering Is
3. Value Engineering in Construction Claims
4. New Construction or Existing Buildings
5. The Economic "New World": Volatility and Risk
6. Managing Quality: The Before-During-After (B-D-A) Method
7. Conclusion

LEARNING OBJECTIVES

- Describe the difference between "Value Design" and mere cost-cutting.
- Identify how removing structurally necessary elements during value engineering leads to valid change orders and delays.
- Explain the "Standard of Care" and the "Spectrum of Professional Practice" when managing engineers.
- Review the 7 levels of Organizational Maturity and their impact on project results.
- Demonstrate how representative testing and extrapolation can settle multi-million dollar HOA claims for a fraction of the demand.

PROGRAM CONTENTS

1. Introduction – 5 Minutes
 - A. Who We Are
 - B. Presenter Information
 - C. Program Outline
 - D. Program Introduction
 - E. Learning Objectives
2. What Value Engineering Is — 10 Minutes
 - A. Defining "Value Design" vs. "Value Analysis"
 - B. Moving beyond the "slashing and cutting" mindset
 - C. The Importance of holding tough budget conversations early
 - D. Identifying "must-haves" vs. "nice-to-haves" in project goals
 - E. Integrating design-build and consultant feedback in planning
 - F. Financial shenanigans are not value engineering
3. Value Engineering in Construction Claims — 15 Minutes
 - A. Case Study: How value engineering removed structurally necessary components
 - B. Analyzing the "Problem"
 - C. The "Solution"
 - D. Data visualization
 - E. Documenting substitutions in writing to mitigate liability
4. New Construction or Existing Buildings — 10 Minutes
 - A. New Construction
 - B. Existing Buildings
 - C. Prioritizing maintenance in aging communities
 - D. Case Study: Saving a community \$1 million through alternative repair scopes
 - E. Using representative selection and extrapolation in HOA defect claims
 - F. Reducing settlement demands from \$8 million to a "tiny fraction"
 - G. The 10-year siding extension vs. 100% replacement
5. The Economic "New World": Volatility and Risk — 10 Minutes
 - A. Volatility
 - B. Risk
6. Managing Quality: The Before-During-After (B-D-A) Method — 5 Minutes
 - A. Before: Defining "good performance" and conduct constructability reviews
 - B. During: Inspecting what we expect at specified "Hold Points"
 - C. After: Memorializing lessons learned and annual property assessments
 - D. Organizational Maturity: From Level 1 (Heroes/Chaos) to Level 5 (World Class)
 - E. The Maturity Matrix: Using leadership and process to achieve zero defects
7. Conclusion – 5 Minutes
 - A. Continuing Education
 - B. Back-Up Materials
 - C. Feedback

BACK-UP MATERIALS

1. Case Study: [Cutting Costs \(and Corners\) Through Value Engineering](#)
2. [Five Ways to Maximize the Value of Value Engineering](#) by Wanda Lau featuring Pete Fowler
3. Case Study: [How to Save Your Community a Million Bucks](#)
4. [Construction Quality Management](#) by Pete Fowler
5. Case Study: [Boutique Hotel with Defects & Delays](#)



THURSDAY, DECEMBER 17th, 2026 @ 10:00AM PT

Value Engineering Driven Construction Contract and Defect Claims

With Elgin Hakala, Catherine Deter, and Greg Kahn

Pete Fowler
CONSTRUCTION
Consultants





ABOUT US

Building Experts.

Helping Smart People
Make Smart Decisions



Construction Defects



Property Claims



Personal Injury Claims



Contract Claims

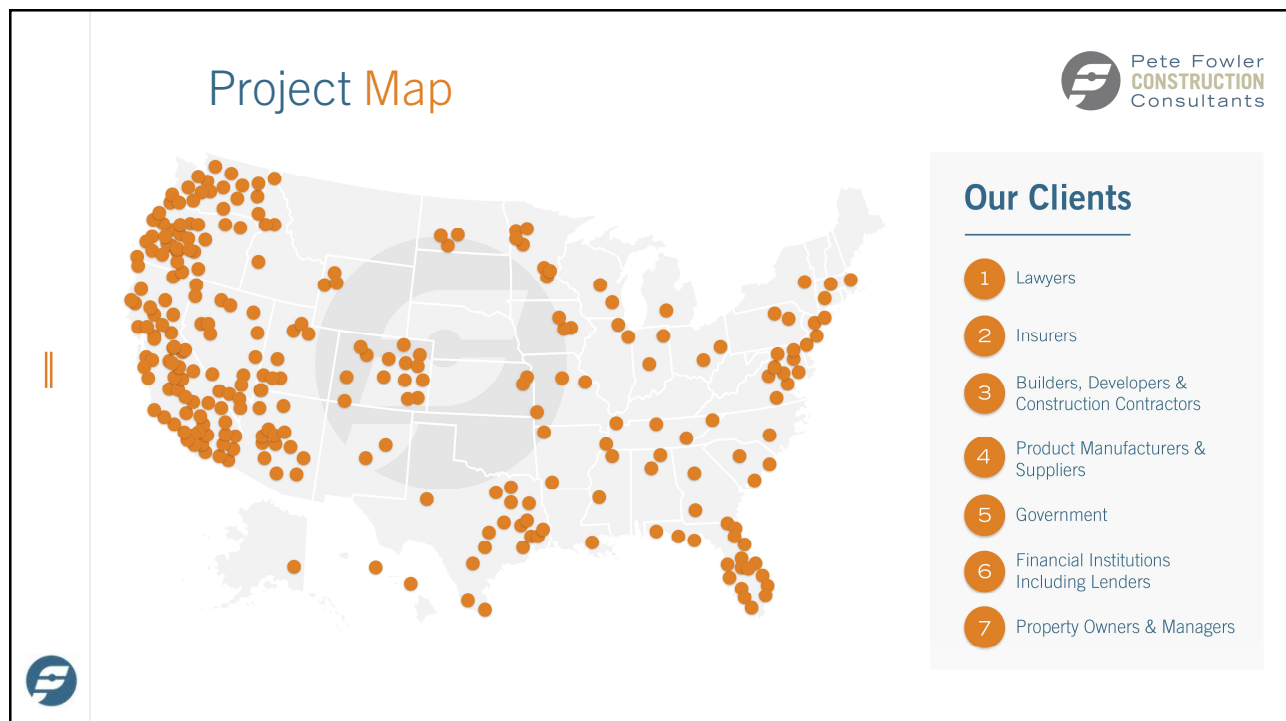


Estimating, Quality & Construction Management



Fire Claims





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Meet our Presenters



Elgin Hakala
Expert
Pete Fowler Construction Consultants



Catherine Deter, Esq.
Partner
Wood, Smith, Henning & Berman LLP



Gregory Kahn
Partner
Rembold Hirschman

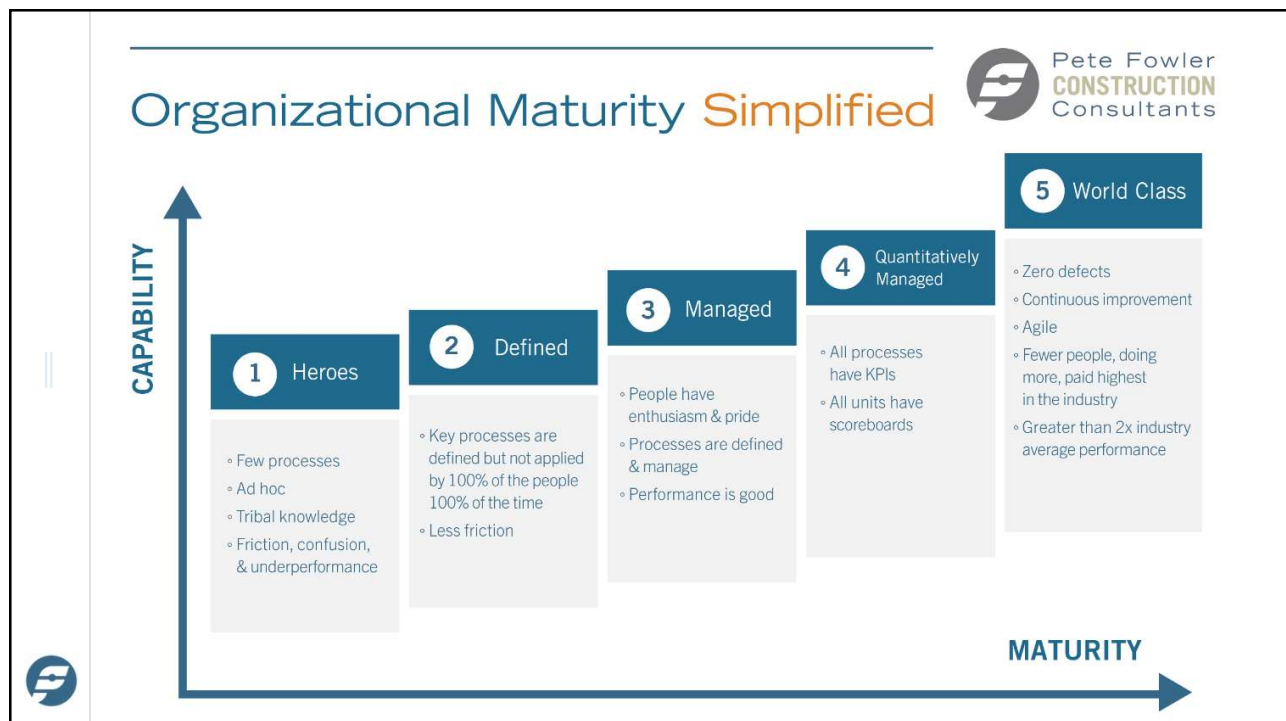
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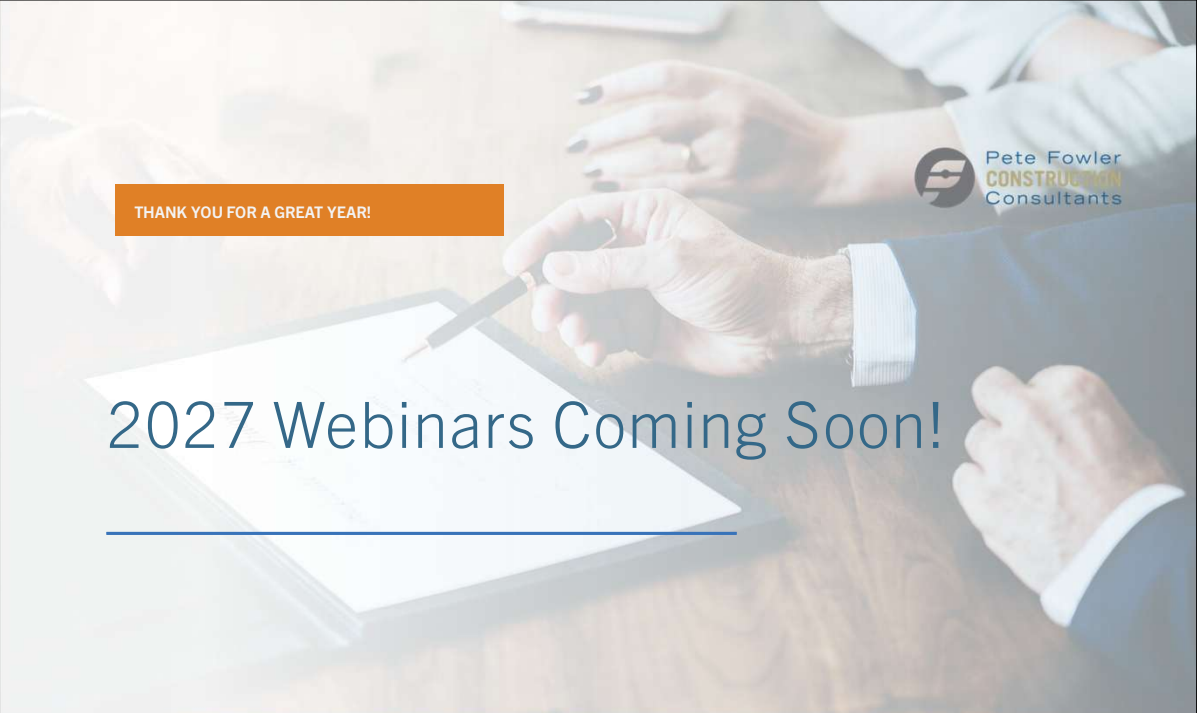
	Outline
	VALUE ENGINEERING DRIVEN CONSTRUCTION CONTRACT AND DEFECT CLAIMS
	Introduction
	What Value Engineering Is
	Value Engineering in Construction Claims
	New Construction or Existing Buildings
	The Economic "New World": Volatility and Risk
	Managing Quality: The Before-During-After (B-D-A) Method
	Conclusion

Learning Objectives

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- Explain the "Standard of Care" and the "Spectrum of Professional Practice" when managing engineers.
- Review the 7 levels of Organizational Maturity and their impact on project results.
- Demonstrate how representative testing and extrapolation can settle multi-million dollar HOA claims for a fraction of the demand.



Organizational Maturity Matrix						
		1	2	3	4	5
		Heroes New processes. Ad hoc. Mutual knowledge. Friction, confusion, and underperformance.	Defined Key processes are defined but not applied by 100% of the people 100% of the time. Less friction.	Managed People are enthusiastic and proud. Processes are defined and managed. Performance is good.	Quantitatively Managed All processes have KPIs. All units have scoreboards.	World Class Zero defects. Continuous improvement. Right. Fewer people doing more and better to achieve greater than 2X industry average performance.
Leadership Maturity		No process orientation. Often the #1 hero making results happen by the force of genius rather than process and effective delegation to a competent team of dedicated team members.	Leaders know they need to increase process orientation, but have only taken initial steps in the direction of increased process orientation. Leaders realize that the culture and health of the management team is closely related to a healthy company culture.	Leaders are invested and motivated to increasing process orientation, getting direct reports excited about increasing the effectiveness of the processes, increasing quality and decreasing drama. Leaders are in sync with and supportive of the other members of the management team.	Leaders feel like they work for the people "below" them in the organization. The leaders feel like it's their job to serve the direct reports and make their ability to do excellent work easier and easier over time.	"Leaders are evangelists for the organization and how awesome their people are. They give all the credit to the people doing the work and to the managers who support the people doing the great work of the organization."
Culture of Trust and Accountability Maturity		Drama, blame, finger-pointing, resigned to the idea that they work in a messy place.	Less drama, some are excited about the new processes, a divide between process oriented and the "old guard" emerges.	Low drama, staff are enthusiastic, teamwork, victories are often celebrated, everyone knows the organizations objectives, unaccountable people leave.	Virtually zero drama, the staff love the work and each other, everyone knows exactly why their job is important in accomplishing the organizational objectives, they recommend that their smallest friends join the team.	50/50. Teams 100% trust, 100% accountability, fewer people doing more and better work for the highest pay in the industry.
Measurement Maturity		Feedback only comes from complaints. Financial and other reporting does not exist, is inaccurate, not shared, or so delayed that it does not aide in decision-making.	Basic financial measures are available after close of periods. P&L, balance sheet, cash flow.	KPIs exist for all operational units and aid in decision making. Clients are surveyed periodically.	Leading KPIs are connected to organizational success and roll up from bottom to top. All individuals have a dashboard. All units have scoreboards. Clients are surveyed often.	Industry leading. Everyone knows how they are contributing every day. Everyone enjoys contributing to the organization's success.
Process Orientation Maturity		tribal knowledge	Key processes are documented. Less than 100% adherence. Limited management.	All processes are documented and managed.	All processes quantitatively managed with measures of quality and quantity. Continuous improvement.	Industry leading. Staff are industry leading experts. We're, will be, or could be specialty consultants in process management.
Tools and Technology Maturity		Ad hoc. Cobbled together.	Basic functionality. 50 Method.	Lean. Advanced functionality. Good integration.	Six Sigma. Fully integrated and continuously improving.	Industry leading, proprietary "technology accelerator"
Training Maturity		Basic on-the-job training. OTOL. Inconsistent.	Basic functional training. Inconsistent. Skills verification is limited.	Documented, delivered professionally, and skills mastery is verified.	Continuously improving.	"University Organization"
Results Orientation Maturity		Friction, confusion, and underperformance.	Below average.	Good	Great	Awsome. >2X industry average.



THANK YOU FOR A GREAT YEAR!

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2027 Webinars Coming Soon!

