



DLA
DEFENSE LOGISTICS AGENCY
Established 1961



The Nation's Combat Logistics Support Agency

DLA Clothing & Textiles Value Management Program

Alexis Diaz, Value Engineering
Specialist
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WARFIGHTER ALWAYS



Clothing & Textile Value Engineering Incentive Clause

- The Value Engineering Incentive Clause can be referenced in your contract
 - Why not take advantage of it?

FAR 52.248-1 (a) General. The contractor is encouraged to develop, prepare, and submit value engineering change proposals (VECP'S) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates in paragraph (f) of this clause.

- Participation in the DLA Value Management Program entitles you to share with the Government in the savings realized from an approved VECP. Your 50% share of the cost savings begins with the delivery of the first unit produced according to the VE change and continues for a period of three to five years. The sharing of savings applies to your instant contract as well as to concurrent and future contracts.



Value Management Overview

Clothing & Textiles Value Management Savings

FY 2022 Projected Total Savings/Cost Avoidance = \$9.23M

Value Engineering Change Proposals (VECPs):

- VECP #2015005 Flame Resistant Army Combat Uniform Fabric - **\$7.1M**
- VECP #2016003A & #2016003B Knotted Ends - **\$327K**
- VECP #2017008 Reduce the number of eyelets -
- VECP #2020004 Faux Leather - **\$500K**
- VECP #2020005 Alternate Pocket Material - **\$1.1M**

Value Engineering Proposal(s):

- VEP #2551 Flag Fabric Rayon/Nylon - **\$140K**
- NIIN Cancellation Savings - **\$59K**



COVID-19 Obligations

Lessons Learned from FY21

- COVID-19 has shown us the importance of managing our savings.
- Technological advances have allowed us to maintain most of our Value Management strategies.
- We can still function cohesively as a team while working remotely.
- However, we may need to reevaluate a few of our strategies due to the possibility of businesses closing.



Value Engineering Opportunities

- The VE methodology is a systematic and organized process that generates alternatives which provide essential functions at their greatest worth, on a life-cycle benefit-to-cost basis.
- GE Mr. Larry Miles developed the “VE Functional Approach” which involves asking and seeking answers to these six questions and then, finally, implementation and follow up. This approach is known as the “VE Job Plan”.

VE FUNCTIONAL APPROACH

What **IS** it?

What does it **DO**?

What **MUST** it do?
(Identifies the basic function)

What does it **COST**?

What **ELSE** will perform the basic function?

What does that **COST**?



Value Engineering Opportunities

Do you have an idea to reduce the unit cost of an item without compromising its quality, reliability or performance?

In order for a contractor to participate in our Value Engineering Program, they are required to have an active contract with us for the item they are proposing to change. The Federal Acquisition Regulation as well as other regulatory guidance mandates all federal agencies to “establish and maintain cost-effective value engineering procedures and processes” and provides policies and procedures to execute that tasking.



Areas for Potential VE Study

- SOLE SOURCE ITEMS
- SEEMINGLY HIGH PRICES
- DRAMATIC PRICE INCREASES
- HARD TO BUY ITEMS



Facilitate a submission

- To facilitate your submission, review and follow FAR Clause 52.248-1, paragraph (c), which details the eight (8) points of information
- Fill out DSCP Form 1772, “Suggested Format for Value Engineering Change Proposals”, which can be used as a general format guide.



Our Team

Point of Contacts:

Chenora Scarborough: (215) 737-0358
chenora.scarborough@dla.mil

Alexis Diaz: (215) 737-4878
Alexis.Diaz@dla.mil

DeHaven Pollard: 215-737-2774
Dehaven.pollard@dla.mil

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