

The Nation's Combat Logistics Support Agency







Overview

- Value Engineering Definition
- VECP Submission
- VECP Process
- Contact Information





Value Management

- What is it?
 - Systematic, organized approach to providing necessary functions in a project at the lowest cost.
- Why is it used?
 - To solve problems, identify and eliminate unwanted costs and improve function and quality.
- What are additional benefits?
 - -50% share of cost savings for 3 to 5 years





VECP Submission

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 The submission should address the following eight points derived from FAR 52.248-1 (c)(1) through (8).

 If you have all 8 of the following points covered in your submission, the DSCP 1772 should be easy to fill out.

https://www.dla.mil/Troop-Support/Clothing-and-Textiles/#Value





- A description of the difference between the existing contract requirement and the proposed requirement
- The comparative advantages and disadvantages of each
- A justification when an item's function or characteristics are being altered
- The effect of the change on the end item's performance
- Any pertinent objective test data





VECP Point #1 Continued

Current Requirement





Recommended Modification





Do:

- Include pictures
- Be descriptive

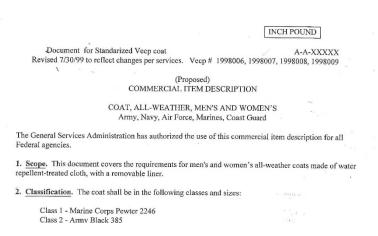
Don't:

Assume anything is common knowledge





- A list and analysis of the contract requirements that must be changed if the VECP is accepted
 - Include any suggested specification revisions



Do:

- Cite specific language in specification
- Cite specific language in contract

Don't:

- Use generalizations
- Forget reference documents





Identification of the unit to which the VECP applies



Do:

- Include PGC(s)
- Include NSN(s)
- Include Part Number(s)

Don't:

Include items not on your contract





- A separate, detailed cost estimate for:
 - The affected potions of the existing contract requirement and the VECP.
 - The cost reduction associated with the VECP shall consider the Contractor's allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause.







VECP Point #4 Continued

A separate, detailed cost estimate

Current Process Cost

Minus

Recommended Process Cost

Equals

Cost Savings

Do:

- Fixed and variable costs
- Provide details

Don't:

 Forget Contractor's allowable development and implementation costs





- A description and estimate of costs the Government may incur in implementing the VECP
 - Include test, evaluation, operating, and support costs



Do:

- Be specific
- Include testing

Don't:

- Be afraid to list costs





 A prediction of any effects the proposed change would have on collateral costs to the agency.



Do:

Include savings otherwise

Don't:

- Just include costs





 A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule



Do:

- Try to provide date
- Account for complexity

Don't:

Assume that all requirements will be accomplished by date provided





Identification of any previous submissions of the VECP

- If there are previous submissions include:
 - The dates submitted
 - The agencies and contract numbers involved
 - Previous Government actions, if known

Do:

- Provide as much information as possible to help in locating file
- Reach out to VM to verify previous submissions

Don't:

Assume prior denial will result in future denial





VECP Process

- Prime contractors submit a VECP with DSCP Form 1772 to the VM office or their KO.
- VM Office will confirm criteria are met.
- Expect a response in 7 business days.
- The VECP will be sent to the Engineering Support Activity for review.
- The review process may take months.
- Notification of the decision will be distributed.



Conclusion

- Every VECP is treated equally and with urgency.
- The VM office will review every VECP to make sure all criteria are met before proceeding.
- The Functional Analysis System Technique (FAST) is applied to process all VECP.
- DLA have accomplished a lot of savings through this program and will continue to support the warfighter.



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https://www.dla.mil/Troop-Support/Clothing-and-Textiles/#Value