

DATA ITEM DESCRIPTION			Form Approved OMB No. 0704-0188	
<p>The reporting burden for this collection of information is estimated to average 110 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.</p>				
1. TITLE		2. IDENTIFICATION NUMBER		
Value Engineering Program Plan		DI-MISC- 81258A		
3. DESCRIPTION/PURPOSE				
<p>3.1 The Value Engineering Program Plan delineates and is used to evaluate the contractor's plan to conduct a Value Engineering Program under a Value Engineering Program Requirements Clause (VEPRC) prescribed in Part 52.248-1 (Alternate I or II) of the Federal Acquisition Regulation.</p>				
4. APPROVAL DATE (YYMMDD)	5. OFFICE OF PRIMARY RESPONSIBILITY (OPR)	6a. DTIC APPLICABLE	6b. GIDEP APPLICABLE	
961115	A/AM			
7. APPLICATION/INTERRELATIONSHIP				
<p>7.1 This Data Item Description contains the format and content preparation instructions for the data product generated by the specific and discrete task requirement as delineated in the contract.</p>				
<p>7.2 A prerequisite for use of this Data Item Description is the contractual imposition of a Value Engineering Program Requirements Clause in accordance with Part 48 and Paragraph 52.248.1 (Alternate I or II) of the Federal Acquisition Regulation.</p>				
<p>7.3 This Data Item Description is related to the following Data Item Descriptions:</p>				
<p>a. DI-MISC- 81259A "Value Engineering Study Proposal"</p>				
<p>b. DI-MISC- 81260A "Value Engineering Program Status Report"</p>				
(Continued on Page 2)				
8. APPROVAL LIMITATION		9a. APPLICABLE FORMS		9b. AMSC NUMBER
				A7213
10. PREPARATION INSTRUCTIONS				
<p>10.1 <b>General.</b> The Value Engineering (VE) Program Plan as required herein, delineates the contractor's plan to conduct an effective Value Engineering Program. This plan is submitted by the contractor to the contracting officer for review (typically within thirty days) after contract award. The plan is approved or returned to the contractor with change recommendations (typically within fifteen days). If the plan requires change, the contractor shall resubmit the revised plan to the contracting officer. Prior to the contracting officer's approval, the contractor is not authorized to initiate any contractual efforts to be funded by the Government at Government expense other than development, preparation, and submittal of the VE Program Plan.</p>				
<p>10.2 <b>Media.</b> The VE Program Plan media shall be contractor selected. The contractor selected media shall be of durable quality and shall present the data in a clean and legible manner. The text and numeric data shall be typewritten or printed using non-exotic typeface in black ink on 8 1/2 by 11 inch standard white bond paper. Photographs, pictorials, graphics, and drawings shall be presented in high contrast black and white or color using paper media.</p>				
<p>10.3 <b>Format.</b> The VE Program Plan format shall be contractor selected. The contractor selected format shall be single spaced and shall present the data in an effective and logically organized arrangement. Numerical data shall use Arabic numerals and the units of measure shall be identified and defined. Acronyms, codes, abbreviations, signs, and symbols shall be defined. Photographic, pictorial, graphic, and drawing formats may be used for purposes of illustration. Attachments, tables, figures, footnotes, and illustrations shall be identified and referenced in the text. Oversize pages shall be folded to the dimensions of the volume. The initial format arrangement shall be used for all subsequent submissions including revisions, unless effective presentation would be degrade.</p>				
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11. DISTRIBUTION STATEMENT				
DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.				

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## 7. APPLICATIONS/INTERRELATIONSHIP (Continued)

7.4 This Data Item Description supersedes DI-MISC-81258 "Value Engineering Plan".

## 10. PREPARATION INSTRUCTIONS (Continued)

10.4.1 Title Page. The Title Page shall contain the following:

- a. Contractor assigned number for the VE Program Plan and appropriate revision letter.
- b. Descriptive title (i.e., "Value Engineering Program Plan for the A3 Module in IF Detector Assembly of the M1A2 Tank under Contract DAAA09- 80-R-0124")
- c. Date the VE Program Plan was submitted to the Government.
- d. Solicitation/Contract number(s).
- e. Contractor's (business) name, address, and telephone number.
- f. Name, telephone number, fax, and e-mail address of the contractor's Point of Contact for the VE Program Plan.
- g. Security classification.

10.4.2 Executive Summary. An executive summary of the VE Program Plan which details the contractor's proposed plan to execute the VE Program.

10.4.3 Table of Contents. An identification of the major content elements contained in the VE Program Plan correlated to the page and paragraph numbers.

10.4.4 Contractual Requirements. An identification of the contractual requirements applicable to the contractor's VE Program including the contractual incentives (i.e., VE, Design-to-Cost) specified in the contract.

10.4.5 Policy. A description of the contractor's VE Program policy including identification of those documents which delineate the policy. When necessary to adequately delineate the policy, a copy of those documents which contain the policy shall be included.

10.4.6 Organization. A description of the contractor's VE Program organization including the name, composition, authority, and responsibility of the organizational elements and the name, title, position related experience, responsibilities, and authority of key personnel. When necessary to clarify the structure of the VE Program organization, charts and diagrams shall be used in conjunction with the text.

10.4.7 Point of Contact. An identification of the principal point of contact for the contractor's VE Program (i.e., VE Program Manager) including the name, title, organizational element, responsibilities, authority, address, telephone number, fax, and e-mail address.

10.4.8 Actions and Events. A description of the major, critical, and significant actions and events including meetings and reviews that impact the VE Program. When Government actions and events are anticipated and considered important to the accomplishment of the contractor's VE Program, they shall be identified and included in the description. Unless specifically not required by the contract, a post-award VE meeting between the Government, contractor, and appropriate supplier personnel shall be convened by the contractor within 45 days following contract award.

10.4.9 Program Schedules. Detailed (time and event) schedules which delineate the VE Program execution correlated to the VE Program Actions and Events (see 10.4.8).

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**10.4.10 Processes and Procedures.** A description of the contractor's VE Program processes and procedures (see 10.4.10.1 thru 10.4.10.12) including identification of those documents which contain the information. When necessary to adequately delineate the processes and procedures, a copy of those documents which contain the information shall be included.

**10.4.10.1 Program Control.** A description of the processes and procedures used to maintain overall control of the contractor's VE Program.

**10.4.10.2 Contract Administration.** A description of the contractor's processes and procedures applicable to contract administration of the VE Program.

**10.4.10.3 Cost Control.** A description of the cost accounting processes and procedures used to document all costs associated with the contractor's VE Program. The cost accounting processes and procedures shall include those necessary to maintain the integrity of the costing and cost accounting and those necessary for integrating the contractor's VE program costs with other contractually required cost accounting requirements.

**10.4.10.4 Cost Reduction.** A description of the processes and procedures used to establish cost reduction goals. The contractor shall establish cost reduction goals for the specific areas and VE studies within the areas having the highest potential for Government savings. The contractor's VE Program shall be predicated on obtaining instant contract savings of 10.0 percent or more and collateral savings of 3.0 percent or more of the initial contract price. VE Program goals shall be revised, as required, commensurate with changes to requirements, schedules, purchased quantities, and other variables on which these goals depend.

**10.4.10.5 Priority List.** A description of the processes and procedures used to establish, maintain, and update the priority lists of proposed and approved VE studies.

**10.4.10.6 Requirements Evaluation.** A description of the processes and procedures used to identify, analyze, and evaluate contract and collateral requirements and to select areas and items as candidates for potential VE studies.

**10.4.10.7 Proposed Study Tasks.** A description of the processes and procedures used to generate, evaluate, select, and submit proposed VE studies.

**10.4.10.8 Approved Study Tasks.** A description of the processes and procedures used to conduct, monitor, and control the approved VE studies including proposed changes to approved VE studies.

**10.4.10.9 Approved Study Tasks Evaluations.** A description of the processes and procedures used to evaluate the results of approved VE studies.

**10.4.10.10 Value Engineering Change Proposals (VECPs).** A description of the processes and procedures used to generate, evaluate, review and submit VECPs resulting from the contractor's VE Program.

**10.4.10.11 Engineering Change Orders.** A description of the processes and procedures used to implement, monitor, and control the implementation of Government approved Engineering Change Orders resulting from contractor submitted and approved VECPs.

**10.4.10.12 Other.** A description of any additional processes and procedures which are significant for successful accomplishment of the contractor's VE Program.

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**10.4.11 Evaluations.** An identification and evaluation of the contractual and collateral requirements and the specific areas and elements (i.e., hardware, software, firmware, tasks, processes, procedures) which are prime candidates for VE studies.

**10.4.12 Potential VE Studies.** An identification and description of potential VE studies (including the Government's potential VE cost savings) correlated to the Evaluations (see 10.4.11). The contractor shall place primary emphasis on conducting the VE Programs on those requirements which offer the highest potential cost savings to the Government at the lowest Government cost and risk. VE Program efforts shall include (but not limited to ) the following:

- a. Contract requirements (i.e., performance, technical, schedule, data, support, packaging, transportation, and handling).
- b. Hardware (i.e., procured, fabricated, assembled, manufactured, tested, Government furnished).
- c. Software and firmware (i.e., programs, applications, design, testing, documentation).
- d. Production and manufacturing (i.e., processes and procedures, tooling, equipment).
- e. Processes and procedures (i.e., soldering, plating, coating, welding).
- f. Testing and inspection (i.e., procedures, evaluation, controls, methods, equipment).
- g. Installation (i.e., equipment, layout, procedures).
- h. Operations (i.e., policy, layout, procedures, staffing).
- i. Maintenance (i.e., repair policy, repair procedures, repair cycle or level, test equipment).
- j. Facilities (i.e., manufacturing, environmental, storage, test).

**10.4.13 Cost Reduction Objectives.** An identification and description of the contractor's VE Program cost reduction objectives including goals, models, and methodology used in developing the objectives. When available, the cost reduction objectives should be correlated to the Evaluations (see 10.4.11).

**10.4.14 Level of Effort.** An identification and description of the contractor's and the contractor's suppliers' proposed VE level of effort directly attributable to the VE Program including man-days, skills (i.e., analyst, engineer, manager, computer programmer, secretary), disciplines (i.e., quality assurance, engineering, testing, manufacturing, drafting), materials (i.e., raw, parts, equipment) and time-phased required allocations. When appropriate, the level of effort shall be correlated to the Evaluations (see 10.4.11).

**10.4.15 Funding.** An identification and description of the contractor's VE Program funding requirements. When appropriate, the funding requirements should be correlated to the Potential VE Studies (see 10.4.12).

**10.4.16 Training.** A description of the contractor's plan for the VE training of contractor and supplier (i.e., subcontractor, seller, vendor, dealer) personnel associated with the contract. The description shall include the scope of the VE training; topics presented; training documentation, training hours per topic; qualifications of instructors; and number, qualifications, and current responsibilities of proposed attendees.

**10.4.17 Supplier Participation.** An identification and description of the suppliers (i.e., subcontractor, consultant, seller, vendor, dealer) participating in the contractor's VE Program including their qualification and experience, areas of participation, responsibility, and arrangements for sharing of VE savings.

**10.4.18 Summary Recommendation and Conclusions.** Additional information, comments, recommendations, and conclusions applicable to the VE Program Plan.

**10.4.19 Revisions.** Revisions shall be in the same format as originally presented, unless effective presentation would be significantly degraded. Revisions shall highlight (i.e., asterisks, margin liners) the changes to the basic document being revised.