

CESPD R 11-1-3
App A
22 September 2000

APPENDIX A

MEMORANDUM, CEMP-E/CECW-E, 156 APRIL 1996, SUBJECT: U.S. ARMY CORPS OF
ENGINEERS VALUE ENGINEERING PROGRAM.



REPLY TO
ATTENTION OF:

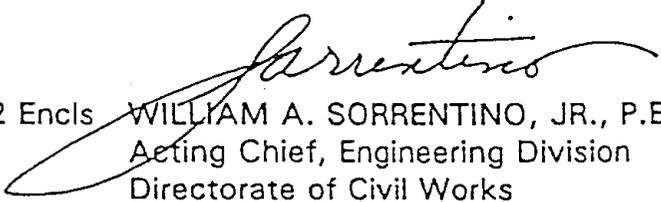
CEMP-E/CECW-E

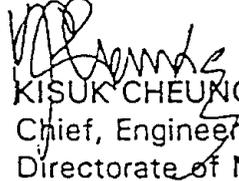
15 April 1996

MEMORANDUM FOR COMMANDER, MAJOR SUBORDINATE COMMANDS

SUBJECT: U.S. Army Corps of Engineers Value Engineering Program

1. The purpose of this memorandum is to update Corps MSC on current Value Engineering laws, policies and regulations. A bibliography of the subject guidance is enclosed (enclosure 1). A portion of P.L. 104-106, which amends the Office of Federal Procurement Policy Act to legislate that each executive agency establish and maintain a Value Engineering Program is enclosed (enclosure 2).
2. If you have any questions or need additional information, please contact Mr. Ted Dahlberg, (202) 761-8738.

2 Encls  WILLIAM A. SORRENTINO, JR., P.E.
Acting Chief, Engineering Division
Directorate of Civil Works

 KISUK CHEUNG, P.E.
Chief, Engineering Division
Directorate of Military Programs

VALUE ENGINEERING BIBLIOGRAPHY
9 April 1996

- 8 Mar 96 Memo to MSC STANLEY G. GENEGA, Major General, Director of Civil Works. Forwarded Civil Works Goals and Policies.
- 26 Feb 96 Memo to MSC ALBERT J. GENETTI, JR., Major General, Director, Military Programs. Forwarded Military Programs VE Goals and Policies.
- 10 Feb 96 Public Law 104-106, Section 4306. Amended the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) to require each executive agency to establish and maintain Value Engineering.
- 26 Apr 95 Memo Defense Finance and Accounting Service (DFAS) to HQUSACE Bruce Carnes, Deputy Director for Resource Management. Formally requested VE on all DFAS projects.
- 27 Jan 95 Memo to MSC PAT M. STEVENS IV, Major General, Director Military Programs. Noted Army MCA deficit of \$60 million; Stated that requests to advertise Military Construction Army (MCA) projects with CWE above PA must include Certification of VE, including analysis of recommendations that were proposed but not incorporated into design, including reason for rejection.
- 23 Dec 94 Memo to MSC ARTHUR E. WILLIAMS, Lieutenant General, Commanding. Requested that MSC support VE; Cautioned that VE remain strong through any streamlining.
- 18 Aug 94 Memo to MSC ARTHUR E. WILLIAMS, Lieutenant General, Commanding. Noted Congressional inquiry. Requested MSC to take steps to encourage Contractor partners to participate in Value Engineering Change Proposals (VECP) Program.
- 10 Dec 93 Memo to MSC ARTHUR E. WILLIAMS, Lieutenant General, Commanding. Forwarded OMB Circular A-131.
- 9 Oct 92 Memo to MSC ARTHUR E. WILLIAMS, Lieutenant General, Commanding. Transmitted ER 5-7-1, Project Management; Pages 1-5, 2-A-6, 2-A-7, 3-A-2, 3-A-7, 4-E-1, 4-E-2, 5-6, 5-D-1 require VE on ALL projects.
- 17 Nov 86 Public Law 99-662, Section 911 (Water Resource Dev. Act of 1986). Requires VE on each Water Resources project which has total cost in excess of \$10,000,000

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APP A

31 JULY 1997

PUBLIC LAW 104-106—FEB. 10, 1996

NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 1996

Public Law 104-106
104th Congress

An Act

To authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to reform acquisition laws and information technology management of the Federal Government, and for other purposes.

Feb. 10, 1996
[S. 1124]

National Defense
Authorization
Act for Fiscal
Year 1996.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1996".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into five divisions as follows:

- (1) Division A—Department of Defense Authorizations.
- (2) Division B—Military Construction Authorizations.
- (3) Division C—Department of Energy National Security Authorizations and Other Authorizations.
- (4) Division D—Federal Acquisition Reform.
- (5) Division E—Information Technology Management Reform.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Organization of Act into divisions; table of contents.
- Sec. 3. Congressional defense committees defined.
- Sec. 4. Extension of time for submission of reports.

DIVISION A—DEPARTMENT OF DEFENSE
AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

- Sec. 101. Army.
- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-wide activities.
- Sec. 105. Reserve components.
- Sec. 106. Defense Inspector General.
- Sec. 107. Chemical demilitarization program.
- Sec. 108. Defense health programs.

Subtitle B—Army Programs

- Sec. 111. Procurement of OH-58D Armed Kiowa Warrior helicopters.
- Sec. 112. Repeal of requirements for armored vehicle upgrades.
- Sec. 113. Multiyear procurement of helicopters.

PUBLIC LAW 104-106—FEB. 10, 1996

110 STAT. 665

(4) The table of contents for the Department of Energy Organization Act is amended by striking out the items relating to part A of title VI including sections 601 through 603.

(5) The table of contents for the Energy Policy and Conservation Act is amended by striking out the item relating to section 522.

SEC. 4305. FURTHER ACQUISITION STREAMLINING PROVISIONS.

(a) PURPOSE OF OFFICE OF FEDERAL PROCUREMENT POLICY.—

(1) REVISED STATEMENT OF PURPOSE.—Section 5(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 404) is amended to read as follows:

"(a) There is in the Office of Management and Budget an Office of Federal Procurement Policy (hereinafter referred to as the 'Office') to provide overall direction of Government-wide procurement policies, regulations, procedures, and forms for executive agencies and to promote economy, efficiency, and effectiveness in the procurement of property and services by the executive branch of the Federal Government."

(2) REPEAL OF FINDINGS, POLICIES, AND PURPOSES.—Sections 2 and 3 of such Act (41 U.S.C. 401 and 402) are repealed.

(b) REPEAL OF REPORT REQUIREMENT.—Section 8 of the Office of Federal Procurement Policy Act (41 U.S.C. 407) is repealed.

(c) OBSOLETE PROVISIONS.—

(1) RELATIONSHIP TO FORMER REGULATIONS.—Section 10 of the Office of Federal Procurement Policy Act (41 U.S.C. 409) is repealed.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of such Act (41 U.S.C. 410) is amended to read as follows:

"SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated for the Office of Federal Procurement Policy each fiscal year such sums as may be necessary for carrying out the responsibilities of that office for such fiscal year."

(d) CLERICAL AMENDMENTS.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by striking out the items relating to sections 2, 3, 8, and 10.

SEC. 4306. VALUE ENGINEERING FOR FEDERAL AGENCIES.

(a) USE OF VALUE ENGINEERING.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 4203, is further amended by adding at the end the following new section:

"SEC. 36. VALUE ENGINEERING.

41 USC 432.

"(a) IN GENERAL.—Each executive agency shall establish and maintain cost-effective value engineering procedures and processes.

"(b) DEFINITION.—As used in this section, the term 'value engineering' means an analysis of the functions of a program, project, system, product, item of equipment, building, facility, service, or supply of an executive agency, performed by qualified agency or contractor personnel, directed at improving performance, reliability, quality, safety, and life cycle costs."

31 JULY 1997

110 STAT. 666

PUBLIC LAW 104-106—FEB. 10, 1996

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

"Sec. 36. Value engineering."

SEC. 4307. ACQUISITION WORKFORCE.

(a) ACQUISITION WORKFORCE.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 4306, is further amended by adding at the end the following new section:

41 USC 433.

"SEC. 37. ACQUISITION WORKFORCE.

"(a) APPLICABILITY.—This section does not apply to an executive agency that is subject to chapter 87 of title 10, United States Code.

"(b) MANAGEMENT POLICIES.—

"(1) POLICIES AND PROCEDURES.—The head of each executive agency, after consultation with the Administrator for Federal Procurement Policy, shall establish policies and procedures for the effective management (including accession, education, training, career development, and performance incentives) of the acquisition workforce of the agency. The development of acquisition workforce policies under this section shall be carried out consistent with the merit system principles set forth in section 2301(b) of title 5, United States Code.

"(2) UNIFORM IMPLEMENTATION.—The head of each executive agency shall ensure that, to the maximum extent practicable, acquisition workforce policies and procedures established are uniform in their implementation throughout the agency.

"(3) GOVERNMENT-WIDE POLICIES AND EVALUATION.—The Administrator shall issue policies to promote uniform implementation of this section by executive agencies, with due regard for differences in program requirements among agencies that may be appropriate and warranted in view of the agency mission. The Administrator shall coordinate with the Deputy Director for Management of the Office of Management and Budget to ensure that such policies are consistent with the policies and procedures established and enhanced system of incentives provided pursuant to section 5051(c) of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 263 note). The Administrator shall evaluate the implementation of the provisions of this section by executive agencies.

"(c) SENIOR PROCUREMENT EXECUTIVE AUTHORITIES AND RESPONSIBILITIES.—Subject to the authority, direction, and control of the head of an executive agency, the senior procurement executive of the agency shall carry out all powers, functions, and duties of the head of the agency with respect to implementation of this section. The senior procurement executive shall ensure that the policies of the head of the executive agency established in accordance with this section are implemented throughout the agency.

"(d) MANAGEMENT INFORMATION SYSTEMS.—The Administrator shall ensure that the heads of executive agencies collect and maintain standardized information on the acquisition workforce related to implementation of this section. To the maximum extent practicable, such data requirements shall conform to standards estab-