

# U.S. Federal Regulations & Value Engineering

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**SCAV/CSVA**



Adding Value. Enhancing Ideas.

# VE & Government

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Value Engineering regulations appear in several laws and acts across the U.S. Federal Government and in many States.

*What are the drivers for these rules and is it valuable to Government and the taxpayer to regulate the use of Value Engineering?*

# History

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- SAVE has had a liaison to the U.S. Federal Government and the U.S. Congress since the 1970s.
  - Hal Tufty mid-1970s to early 1990s
  - Mary Ann Lewis early 1990s to present
  - Who will be the next?



# History (cont.)

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## ○ Accomplishments:

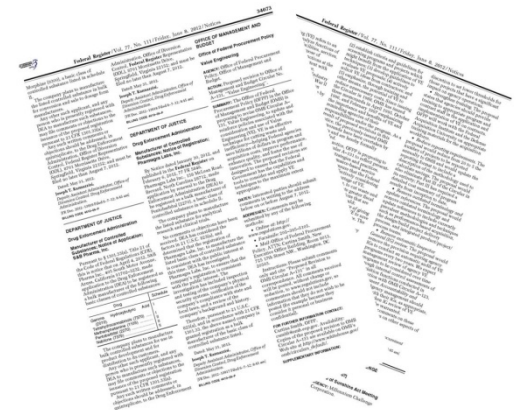
- 15 Congressional Education Receptions
- 1982 EPA VE law, WPCAA
- 1988, 1993 OMB Circular No. A-131
- Early 1990s – Hearings on Capitol Hill and GAO Audits of VE within agencies
- 1996, VE Day on the Hill
- 1996, VE **law**  
PL104-106, now  
PL111-135



# History (cont.)

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- **OMB Circular No. A-131**: 1997 – present. Maintain relationship with OMB Office of Federal Procurement Policy (OFPP)
- SAVE retained Rob Burton, former OFPP Administrator, as advisor
- June 2012 OMB published draft in Federal Register
- OFPP Videos – USACE, Army, State, and NAVSEA/Raytheon VE videos



# Accomplishments

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- Departments visited:
  - Dept. of Homeland Security
  - Dept. of Energy
  - Veterans Affairs
  - NASA
- Academies visited:
  - Defense Acquisition University
  - Federal Acquisition Institute
  - Veterans Affairs Academy

# Accomplishments (cont.)

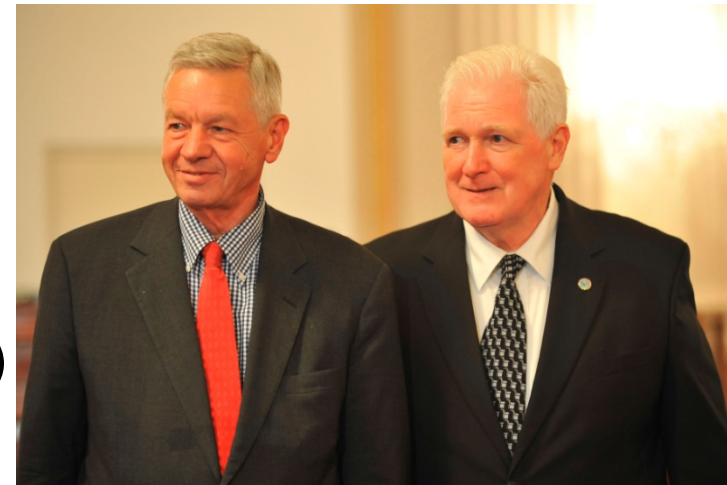
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- Media visited:
  - Federal Times Newspaper → Bolton Editorial
  - Government Executive Magazine
  - Federal News Radio
  - Washington Technology Magazine
  - Federal Computer Week
  - Bloomberg News

# Accomplishments (cont.)

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- Capitol Hill visited:
  - Senate Armed Services Committee
  - House Oversight & Government Reform Committee
  - Congressmen:
    - James Moran (VA)
    - Thomas Petri (WI)
    - Chris Van Hollen (MD)
    - Emmanuel Cleaver (MO)





# Accomplishments (cont.)

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- Presentations:
  - NCMA: Jay Mandelbaum/Jim Vickers
  - Partnership for Public Service for Veterans Affairs Program Managers: Rob Burton
  - Homeland Security Program Managers: Rob Burton
  - GovExec Magazine Excellence in Government Conferences: Rob Burton

# OMB A-131



- Reinforces the importance of giving meaningful consideration to VE to save money and improve performance
- Explains that VE can be used with various contract types and methods of contracting
- Explains that VE can be used with other management tools
- Increases the threshold for the application of VE
- Strengthens training
- Reduces reporting requirements
- Removes outdated terminology; updates references
- Removes automatic Inspector General (IG) review

# The Future

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- Federal Register final notice - 2013
- Continue to educate Agency senior procurement officials
- Rewrite FAR VE Clause to streamline and encourage use
- Develop online VE training courses in association with the Federal academies

# The Future

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- Push the A-131 message out to the media to promote interest
- Seek accreditation for CVS certification so SAVE is the standard bearer
- Continue relationship with Congress so VE will be discussed during budget conversations



# The Big Question

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Are regulations and laws  
necessary and appropriate?

# In the NO Column...

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- One more mandate that will be given short shrift
- Does not let the “market” speak
- Unfunded mandate

# The Reality

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- VE is one of several competing Value Improving Practices and Government initiatives, alongside

- Government Efficiency & Effectiveness
- Better Buying Power
- Lean (Manufacturing, Construction, etc.)
- Six Sigma

**→ Regulations focus the use of VE**

# The Conundrum

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***Merci!***