

103D CONGRESS
1ST SESSION

H. R. 133

To require Federal agencies to apply value engineering, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mrs. COLLINS of Illinois (for herself and Mr. CONYERS) introduced the following bill; which was referred to the Committee on Government Operations

A BILL

To require Federal agencies to apply value engineering, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Systematic Application
5 of Value Engineering Act of 1993".

6 **SEC. 2. VALUE ENGINEERING REQUIREMENTS FOR FED-**
7 **ERAL AGENCIES.**

8 (a) **IN GENERAL.**—Federal agencies shall apply value
9 engineering consistent with subsection (b)(2) to, at a mini-
10 mum, identify and implement opportunities to reduce cap-

1 efforts and to coordinate the development of criteria
2 and guidelines referred to in paragraph (2).

3 (2) Develop criteria and guidelines for both
4 agency employees and contractor employees to iden-
5 tify programs, projects, systems, and products with
6 the greatest potential to yield savings and benefits
7 from the application of value engineering methodol-
8 ogy. The criteria and guidelines should recognize
9 that the savings are greatest during the
10 planning, design, and other early phases of program,
11 project, system, and product development. The cri-
12 teria and guidelines shall include the following:

13 (A) Consideration of return on the Govern-
14 ment's investment in value engineering, deter-
15 mined by dividing the Government's cost of per-
16 forming the value engineering function by the
17 savings generated by the function.

18 (B) A dollar amount threshold for requir-
19 ing the application of value engineering. The
20 threshold shall be designed to ensure that value
21 engineering is applied to—

22 (i) each program, project, system, and
23 product of the agency that has a dollar
24 value greater than the threshold; and

1 (4) Ensure that funds necessary for conducting
2 agency value engineering efforts are included in an-
3 nual budget requests to the Office of Management
4 and Budget.

5 (5) Document and maintain records of—

6 (A) programs, projects, systems, and prod-
7 ucts that meet agency criteria for requiring the
8 use of value engineering techniques; and

9 (B) determinations (including the reasons
10 therefor) that the recommendations resulting
11 from a value engineering review should not be
12 implemented.

13 (6) Except when inconsistent with this Act, ad-
14 here to the acquisition requirements of the Federal
15 Acquisition Regulation, including the use of value
16 engineering clauses in parts 48 and 52 for both
17 prime and subcontractors.

18 (7) In the case of discretionary grants awarded
19 by the agency, establish value engineering require-
20 ments, such as requiring grant applications to in-
21 clude a clause requiring the use of value engineering
22 methodology by qualified value engineering personnel
23 in the performance of the grant.

1 (B) The Government's return on invest-
2 ment in value engineering achieved through ac-
3 tual implementation by the agency of rec-
4 ommendations adopted as a result of value en-
5 gineering, calculated by dividing the amount of
6 savings achieved through such implementation
7 by the cost of performing value engineering re-
8 views.

9 (C) The Government's potential return on
10 investment achievable through value engineer-
11 ing, calculated by dividing the amount of sav-
12 ings achievable through the adoption of rec-
13 ommendations as a result of value engineering
14 by the cost of performing value engineering re-
15 views to produce those recommendations.

16 (D) A description of the application of
17 value engineering to the agency's 20 programs,
18 projects, systems, and products having the
19 highest dollar value, including the net savings
20 and quality improvements achieved through use
21 of value engineering in those programs,
22 projects, systems, and products.

23 (E) A listing of the criteria adopted by the
24 agency pursuant to subsection (b)(2)(C) for
25 waiving the application of the value engineering

1 quired or improved performance, reliability, quality,
2 and safety.

3 (4) The term "life-cycle cost" means the total
4 cost of a program, project, system, product, item of
5 equipment, building, facility, service, or supply, com-
6 puted over its useful life. The term includes all rel-
7 evant costs involved in acquiring, owning, operating,
8 maintaining, and disposing of the program, project,
9 system, product, item of equipment, building, facil-
10 ity, service, or supply over a specified period of time.

11 (f) *EFFECTIVE DATE*.—This Act shall take effect on
12 January 1, 1994.

13 (g) *REVIEW*.—The Director of Management and
14 Budget shall review the policies contained in this Act 5
15 years after the date of the enactment of this Act and shall
16 report the results of such review to Congress.

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