

## 48.103 Processing value engineering change proposals.

(a) Instructions to the contractor for preparing a VECP and submitting it to the Government are included in paragraphs (c) and (d) of the *value engineering* clauses prescribed in subpart 48.2. Upon receiving a VECP, the *contracting officer* or other designated official *shall* promptly process and objectively evaluate the VECP in accordance with agency procedures and *shall* document the contract file with the rationale for accepting or rejecting the VECP.

(b) The *contracting officer* is responsible for accepting or rejecting the VECP within 45 days from its receipt by the Government. If the Government will need more time to evaluate the VECP, the *contracting officer shall* notify the contractor promptly *in writing*, giving the reasons and the anticipated decision date. The contractor *may* withdraw, in whole or in part, any VECP not accepted by the Government within the period specified in the VECP. Any VECP *may* be approved, in whole or in part, by a *contract modification* incorporating the VECP. Until the effective date of the *contract modification*, the contractor *shall* perform in accordance with the existing contract. If the Government accepts the VECP, but properly rejects *units* subsequently delivered or does not receive *units* on which a savings share was paid, the contractor *shall* reimburse the Government for the proportionate share of these payments. If the VECP is not accepted, the *contracting officer shall* provide the contractor with prompt written notification, explaining the reasons for rejection.

(c) The following Government decisions are unilateral decisions made solely at the discretion of the Government:

(1) The decision to accept or reject a VECP.

(2) The determination of *collateral costs* or *collateral savings*.

(3) The decision as to which of the sharing rates applies when Alternate II of the clause at 52.248-1, *Value Engineering*, is used.

(4) The *contracting officer's* determination of the duration of the *sharing period* and the contractor's sharing rate.

**Parent topic:** Subpart 48.1 - Policies and Procedures