

# PART 2448 - VALUE ENGINEERING

Authority: 40 U.S.C. 486(c); 42 U.S.C. 3535(d).

Source: 71 FR 2437, Jan. 13, 2006, unless otherwise noted.

2448.102 Policies.

2448.103 Processing value engineering change proposals.

2448.104-3 Sharing collateral savings.

**Parent topic:** SUBCHAPTER G - CONTRACT MANAGEMENT

## **2448.102 Policies.**

- (a) The authority of the agency head to exempt contracts from including Value Engineering (VE) procedures and processes under 48 CFR 48.102(a) is delegated to the HCA for individual (case-by-case) exemptions and to the Senior Procurement Executive for class exemptions.
- (b) The Senior Procurement Executive is responsible for managing and monitoring HUD's VE efforts.

## **2448.103 Processing value engineering change proposals.**

Upon receipt of a Value Engineering Change Proposal (VECP), the Contracting Officer shall promptly forward it to the program office responsible for the contract, indicating:

- (a) The date the VECP was received;
- (b) The date by which the contractor must be informed of the government's acceptance or rejection of the VECP, unless additional time is required for evaluation;
- (c) The date by which the Contracting Officer must know of the technical officer's decision in order to timely accept or reject the VECP;
- (d) The need for information required to inform the contractor if the VECP is to be rejected or if additional time is needed to evaluate the VECP;
- (e) The potential for awarding concurrent, future, or collateral savings to the contractor, if the VECP is accepted;
- (f) That if the VECP is accepted, precise information will be needed with regard to the type of savings, and government costs, that can be expected from its acceptance;
- (g) The need for a procurement request setting forth the specification changes to be used in a contract modification accepting the VECP in whole or in part; and
- (h) The need for additional funds, if acceptance of the VECP will result in an increase in the cost of

contract performance.

## **2448.104-3 Sharing collateral savings.**

(a) The authority of the HCA to determine that the cost of calculating and tracking collateral savings will exceed the benefits to be derived under 48 CFR 48.104-3(a) is delegated to the Contracting Officer.