



ARMY ACQUISITION REFORM



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FY97: Another Banner Year for Army's *Value Engineering (VE) Program*



The **Value Engineering (VE)** program, which incentivises both government and contractor workforces to submit ideas for improving products, processes and production methods, continued to pay dividends. In FY97, the Army *more than doubled* its projected goal, saving more than \$404.8M. Using *VE Change Proposals (VECPs)*, which are cost saving recommendations submitted by a contractor in accordance with the VE provisions of their contract, the Army saved \$23.1M. Government ideas, termed *VE Proposals (VEPs)*, saved over \$381.7M. Below are some of the noteworthy contributors to the Army's success.

- The Theater High Altitude Area Defense (THAAD) program saved \$16,500,000 by approving and implementing a VEP which recommended the acquisition of an additional electronics unit, in lieu of the upgrading the existing radar units.
- Using a VEP, the Soldier Systems Command saved over \$155 million by changing the Desert Battlefield Uniform from 100% cotton to a blend of 50% cotton and 50% nylon fiber, doubling the service life and making the uniform lighter and more comfortable to wear. The new uniform has been approved by all three Services.
- A VE analysis determined that the shelf life of the M9 Chemical Agent Detector Paper was at least six years vice three years. Using the longer shelf life, the Government saved \$3,500,000.
- The Government saved \$1,526,000 by implementing the VEP to use common M185/M284 cannon components for the M109A6 [PALADIN] upgrade from the M109A5, thus eliminating the requirement to purchase new components.
- The Army saved \$2,657,000 by eliminating Army administered C-12 training. A VE study determined that a contractor could lease a C-12 military aircraft for the training of rotary wing aviators to fly fixed wing aircraft, eliminating a follow-on Army course using the C-12 aircraft since the contractor only trained with the civilian model A-90 multi-engine aircraft. The change makes allowance for the contractor to conduct both the C-12 and A-90 training.