



## **POLICY FLASH 2006-41**

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**DATE:** July 14, 2006

**TO:** Procurement Directors

**FROM:** Office of Procurement and Assistance Policy, MA-61  
Office of Procurement and Assistance Management

**SUBJECT:** **Acquisition Guide Chapter 48, “Value Engineering”, and Cancellation of Acquisition Letter 2003-04, “Value Engineering”**

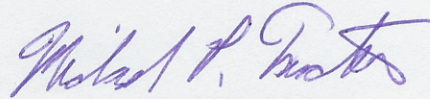
**SUMMARY:** This Flash forwards a new Acquisition Guide Chapter 48, “Value Engineering,” and cancels Acquisition Letter 2003-04, “Value Engineering.” Guidance previously in the Acquisition Letter now appears in the Guide, covering the application of value engineering (VE) to contracts for the performance of work at current or former management and operating contract sites and facilities where beneficial and the prescribed FAR clause requirements are appropriate.

This Guide Chapter does not apply to National Nuclear Security Administration (NNSA) activities unless otherwise directed by NNSA officials.

The guidance discusses the challenges of applying value engineering effectively in management and operating and similar contracts, provides deviations to the affected FAR Value Engineering clauses, specifies when the deviations may be appropriate, and requires removal of the DEAR clause on Cost Reduction, 48 CFR 970.5215-4, when using value engineering clauses.

This Flash may be viewed at <http://professionals.pr.doe.gov>

Contact Michael Righi at either (202) 287-1337 or [Michael.Right@hq.doe.gov](mailto:Michael.Right@hq.doe.gov) if you have any questions.

A handwritten signature in blue ink, appearing to read "Michael P. Fischetti".

Michael P. Fischetti, Director  
Office of Procurement and  
Assistance Policy

Attachment