

U.S. Department of Energy  
Washington, DC

**NOTICE**

**DOE N 413.2**

Approved: 12-30-02

Expires: 12-30-03

**Subject:** VALUE ENGINEERING

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**PURPOSE**

To establish Department of Energy (DOE) value engineering policy that meets the requirements of Public Law 104-106, Section 4306 as codified by 41 United States Code 432. This law states that each agency shall establish and maintain cost-effective value engineering (VE) procedures and processes. Additionally, Office of Management and Budget (OMB) Circular A-131, Value Engineering, requires that all Federal agencies use VE as a management tool, where appropriate and using a graded approach, to ensure realistic budgets, identify and remove nonessential capital and operating costs, and improve and maintain optimum quality of program and acquisition functions.

**POLICY**

The requirement is to establish and maintain a VE program that meets the intent and criteria set forth in Public Law 104-106 and OMB Circular A-131 for all Departmental Elements.

To meet this requirement, the Under Secretary for Energy, Science and Environment and the Administrator, National Nuclear Security Administration will:

- Designate a senior management official who has responsibility to establish, coordinate, maintain, and document a viable VE program for programs and projects under their cognizance,
- Develop criteria and guidelines for both in-house personnel and contractors to identify programs/projects with the most potential to yield savings from the application of VE techniques,
- Develop annual plans for using VE to include setting performance goals and to report annually on actual performance compared to goals,
- Ensure that funds necessary for conducting VE efforts are included in annual budget requests,

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All Departmental Elements

**INITIATED BY:**  
Office of Management,  
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- Adhere to the acquisition requirements of the FAR, including the use of VE clauses as set forth in Parts 48 and 52, as modified in any Department of Energy Acquisition Regulation requirements or other Departmental specific guidance, and
- Provide training in VE techniques and practices to Departmental staff responsible for coordinating and monitoring VE efforts and for staff responsible for developing, reviewing, analyzing, and carrying out VE proposals, change proposals, and evaluations.

To support these efforts, the Director, Office of Engineering and Construction Management (OECM), within the Office of Management, Budget and Evaluation / Chief Financial Officer (OMBE/CFO), will establish the minimum requirements for the use of VE during the Department's acquisition of capital assets and real property asset management. OECM will also maintain VE program directives, procedures, and guidance documents for the Department and then coordinate and compile the annual DOE VE progress report that is required by OMB Circular A-131. The DOE program offices have line responsibility and DOE functional offices such as budget, chief information officer, legal, safety, security, and contracting have staff responsibility for effective implementation and documentation of this policy.

## **CONTACT**

Questions concerning this Notice should be addressed to the Office of Engineering and Construction Management, Office of Management, Budget and Evaluation, at (202) 586-1784.

BY ORDER OF THE SECRETARY OF ENERGY:



KYLE E. MCCLARROW  
Deputy Secretary