



DEFENSE LOGISTICS AGENCY

THE NATION'S COMBAT LOGISTICS SUPPORT AGENCY



Value Engineering Change Proposals VECPs

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VECP



- Contractual method to share savings
 - Improve DoD supplies and/or equipment
 - Savings shared between Contractor and DoD
 - Described in FAR Clause 52.248.1
- Improvements include any price savings
 - Processes
 - Materials
 - Manufacturing techniques
 - Other



Rules and Tools



- VECP clause in all DLA contracts > \$25K (SAT)
- Clause can be added by modification (< \$25K)
- VECP can only be received on an instant contract
- Typical share ratio: 50/50
- Collateral lifecycle savings may be negotiated



Conclusion



