

**FY 2008 DoD VE Statistics
Annual Value Engineering Report**

PART I

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Agency VE Expenditures (\$'s Invested in VE this fiscal year):	\$106M
Number of Value Engineering Change Proposals (VECP) Submitted:	60
Number of VECPs approved:	39
Dollar Share of Savings Provided to Contractors (VECP)	\$13M
Number of VE Studies performed:	1,254
Return on Investment (annual savings divided by expenditures):	14.6:1
Total Annual VE Savings	\$1,570M
VE Savings/TOA (Goal 1.5%)	0.38%

TOTAL AGENCY NET LIFE-CYCLE COST SAVINGS ATTRIBUTABLE TO VE

A. A summary of cost savings and avoidances reported by category (See B. below):

B. Total VE Savings by Category:

Category	Cost Savings (\$M)		Cost Avoidance (\$M)	Total Savings (\$M)
	1 In-House	2 Contractor	In-House	
VEP	627.42		908.91	1,536.33
VECP	21.16	12.56	0.21	33.94
TOTAL	648.58	12.56	909.12	1,570.26

PART II

Department of the Army

List the top five VE projects by name. Describe any quality or other non-quantifiable improvements resulting from

	Project Title	VE Expenditures (\$M)	Cost Savings (\$M)		Cost Avoidance (\$M)
		In-House	In-House	Contractor	In-House
Corps of Engineers					
Project No. 1	Ft. Belvoir Hospital Ph.1	0.01			34.00
Project No. 2	E. Baton Rouge SSO	0.15			21.00
Project No. 3	Ft. Meade Def. Info Sys. Agy.	0.07			14.00
Project No. 4	Tuttle Creek Dam & Res Seismic Retrofit	0.10			12.00
Project No. 5	Des Moines & Racoon Rivers	0.05			10.00
Army Materiel Command					
Project No. 1	Body Armor		43.88		87.75
Project No. 2	Tank Armor		20.12		69.32
Project No. 3	Info Technology Sys		28.87		58.87
Project No. 4	SEPV2 Tank		21.49		8.68
Project No. 5	Container Handling Unit		11.99		14.19
Corps of Engineers		Quality/Non-quantifiable Improvement			
Project No. 1	MILCON FY 11-13	Count Subcontracts towards Small Business Goals			
Project No. 2	MILCON FY 11-13	Consider LEED self-certification within Army Center of Excellence			
Project No. 3	Markland Miter Gates	Define miter gate fabrication tolerance requirements			
Project No. 4	Cincinnati Waterfront	Complete flood studies prior to construction contract negotiations			
Project No. 5	Warriors in Transition Barracks Complex, Ft. Benning, GA	Site is located on a landfill, so VE consult included a landfill expert as a team member. VE Team conveyed risk to the initial site and project site was changed. Quantity of cost avoidance is unknown.			
Army Materiel Command		Quality/Non-quantifiable Improvement			

Department of the Navy

List the top five VE projects by name. Describe any quality or other non-quantifiable improvements resulting from

	Project Title	VE Expenditures (\$M)	Cost Savings (\$M)		Cost Avoidance (\$M)
		In-House	In-House	Contractor	In-House
Project No. 1	ALQ-99 Jammer High Voltage Module	0.93			35.00
Project No. 2	EMDU (NAVSUP)	0.00	33.49		
Project No. 3	Legacy Gyro Replacement	4.06	32.00		
Project No. 4	H53 & P3 Displacement Gyro	0.65	27.00		
Project No. 5	FA-18E/F Radar Altimeter Shock Mount	0.59			25.00
		Quality/Non-quantifiable Improvement			
Project No. 1	Avionics Component	Alternative resource option for near-term problem management			
Project No. 2	Light Emitting Diodes (2007)	Improved Human System Interface; Elimination of hot spots; Decrease of mechanical damage to switch/indicators; Reduction in			
Project No. 3	A/N SPY-1 radar alignment	New laser technology method is more accurate than old method; Data is recorded directly to laptop, which eliminates manual data			
Project No. 4	Javelin Launch Tube Enhancement	Reduced a 60% failure rate to USMC launch tubes due to cracking and abrasion damage by 90% by applying a protective urethane coating to the tubes.			
Project No. 5	C4I Design-Budget Modifications to Aircraft Carrier RCOH	Implemented a new design and budget strategy for purchasing and installing command, control, communications, computers and intelligence systems at the latest possible timeframe during Aircraft Carrier Refueling Complet Overhauls in order to acquire the latest technology at the lowest possible cost.			

Defense Logistics Agency

List the top five VE projects by name. Describe any quality or other non-quantifiable improvements resulting from

	Project Title	VE Expenditures (\$M)		Cost Savings (\$M)		Cost Avoidance (\$M)
		In-House		In-House	Contractor	In-House
Project No. 1	VHF Antenna			25.80		
Project No. 2	Tire and Wheel Assembly					5.75
Project No. 3	Electronics Cover			3.93		
Project No. 4	Brake Shoe Set			2.67		
Project No. 5	Augmentor Liner			2.57		
Quality/Non-quantifiable Improvement						
Project No. 1	Lean Six Sigma Green Belt Project	Screensavers were developed to promote the VE program; Poster boards were completed to promote the Million Dollar Club and placed throughout the building; and several articles were written for publication, including the Defense Supply Center Columbus federal newspaper - The Voice, and in Maritime's quarterly magazine. The new database tracks all VE savings, including Land/ Maritime associate's savings for the Million Dollar Club. Other enhancements include developing standard reports for tracking program metrics. The new database provides process improvements and improved efficiencies within the VE program. The process ensures all members execute a systematic approach that will improve productivity, efficiency, and possibly aid in the reduction of potential missed savings opportunities. This SOP will also serve as the reference document to facilitate training of newly assigned members to team.				
Project No. 2	Develop and Implement a New VE Project Database	The Lean event automated the process of documenting VE Savings on an enhanced VE project worksheet. The documented process and the automated worksheet increase consistency, reduce processing time, variability, and errors in recording VM savings.				
Project No. 3	Standard Operating Procedure for NSN Research	Through collaboration with the American Metalcasting Consortium and the Forging Defense Manufacturing Consortium, AFCAT provided 130 problem resolution services to the Aviation Supply Chain, DLA contractors and Service customers.				
Project No. 4	VE Project Worksheet Lean Event					
Project No. 5	Aviation Forging & Casting Assistance Team					

Missile Defense Agency

List the top five VE projects by name. Describe any quality or other non-quantifiable improvements resulting from VE.

	Project Title	VE Expenditures (\$M)		Cost Savings (\$M)		Cost Avoidance (\$M)	
		In-House		In-House	Contractor	In-House	
Project No. 1	Sea-Based X-Band Radar Communications Study			2.28		2.49	
Project No. 2	THAAD Launcher E3 BQT			1.02			
Project No. 3	THAAD Missile Assets			17.58			
Project No. 4	THAAD Direct Strike						
Project No. 5	Lightning Test			0.65			
		Quality/Non-quantifiable Improvement					
Project No. 1	Sea-Based X-Band Radar Communications Study	Improved efficiency of BMDS communication systems; mitigation of redundant communication systems					
Project No. 2	THAAD Launcher E3 BQT	Streamlined test efforts; quality of launcher maintained					
Project No. 3	THAAD Missile Assets	Useful application of residual hardware					
Project No. 4	THAAD Direct Strike	Improved test procedures and test assets					
Project No. 5	Lightning						