

775

# VALUE ENGINEERING & MANAGEMENT DIGEST

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Defense Contract Guide

*The Management Technique That Achieves The Required Function At The Lowest Cost*

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Vol. 19, No. 5	MAY 1977	Page	1
Senator Randolph Introduces Value Engineering Resolution May 12, 1977			
Text of S. Res. 172 on Value Engineering			2
Randolph Calls VE "Most Effective" in S. Res. 172 Introductory Remarks			2
Suggester McCutcheon Earns \$265 By Making Microfilm Records Handier			3
Two-Day 'Matrix Management' Course At The Wharton School June 13, 14			3
Value Foundation Incorporated			4
Articles of Incorporation Excerpts			4
Bylaws Stress Cooperation With SAVE, Excerpts			5
Woodward Reports Two VE Courses In Value Technology			6
Dr. Currie, Former Director of Defense Research & Engineering, Rejoins Hughes			6
Bell's Cost Awareness/Performance Improvement Achieved \$27.4 Million in 1976			6
Q&A Report from McCarthy in St. Louis Shows Evolution of VE Doubter Mattei			7
Connecticut Daily Gives Banner Treatment to VE Project in Plainville			8
Over 410 VE Papers Abstracted in First VE Encyclopedia, Reports Smith			9
Ex-SAVE Prexy Johnson VA Seminar Leader in Chicago, Boston, Toronto			9
New Corps VE Progress Report Published; Corps Total VE Savings \$427,700,000			9
National Institute of Governmental Purchasing Publishes 'Value Analysis Program Guide'			9
'Update 78' A Second Annual Conference On Contract Management by AIAA on June 6-8			9
Tufty Communications Announces New Publication: Zero-Base Planning & Budget Digest			10

VALUE ENGINEERING IS "THE MOST EFFECTIVE TECHNIQUE AVAILABLE FOR IDENTIFYING AND eliminating unnecessary costs," Senator Randolph told his colleagues in the U. S. Senate on May 12, 1977 in his introductory statement to Senate Resolution 172 ... a "resolution relating to Value Engineering."

"A resolution has no force of law. But it does express the sense of the Senate," according to the Chairman of the U. S. Senate Committee on the Environment and Public Works. The Democrat of West Virginia said "sometimes resolutions have an even greater impact than a law. After all, it was a Senate resolution that was the turning point in Senator Joseph McCarthy's career back in the 1950's that led to his eventual downfall."

S. Res. 172 was referred to the Committee on Governmental Affairs. The Environment and Public Works Committee staff members who helped draft the resolution with Senator Randolph are currently in contact with the appropriate staff people on Chairman Ribicoff's Governmental Affairs Committee to explain the history and the thrust of VE and the intent of the resolution.

The text of S. Res. 172 and the text of Senator Randolph's introductory remarks are quoted in full:

"Whereas, it is recognized that Value Engineering is a proven method to conserve energy, improve services, save money or otherwise generally control the expenditure of construction resources by means of budgeted, organized, multidisciplined and function-oriented team review, and

"Whereas, the Value Engineering methodology is applicable wherever there is a function to be performed and a means to measure it, and

"Whereas, the preponderance of testimony before committees of Congress has shown that Value Engineering saves at least five dollars for each Value Engineering dollar spent, and

"Whereas, the General Accounting Office has recommended the use of Value Engineering be expanded in federal construction, and

"Whereas, the Corps of Engineers in the past ten years has, by the use of Value Engineering, saved \$200 million in construction costs for an expenditure of \$10 million, and

"Whereas, the first four years of Value Engineering application in the General Services Administration has saved \$12.84 for each dollar spent, and

"Whereas, Value Engineering has been successfully applied in private industry to general additional profits and better products and services,

"Therefore, Be it resolved that it is the sense of the Senate that all federal departments and agencies, in order to achieve maximum efficiency and economy, shall utilize, where possible, Value Engineering in carrying out their functions and administering their programs as part of their affirmative efforts for cost reduction."

The remarks of Senator Randolph follow:

"I am today submitting a resolution stating the sense of the Senate on the importance of Value Engineering as a cost-reduction tool. Billions of dollars are expended by the Federal Government each year for construction of worthwhile projects for all Americans. Institution of Value Engineering practices will result in substantial cost reductions in those agencies employing this engineering cost-control procedure.

"One of the strongest links of our past with our present is the American commitment to building. We have led the way not only in the amounts of our construction, but also in developing new techniques. In many respects, Americans had to be builders to survive.

"Engineers contribute a necessary and important role in developing the projects which provide ultimate benefit to all Americans. Without this vital function, we could have no construction program which is so important for future growth.

"With inflation forcing construction costs up at a rapid rate, we must undertake every opportunity to reduce the cost of each project. Value Engineering is one technique which can have significant impact.

"Like most other activities in our country, construction is a pluralistic endeavor with involvement by both the private and public sectors. The nature of our political system gives to the Federal Government a substantial involvement in construction, one which greatly influences activities throughout the economy.

"With our construction dollars buying less, alternative engineering methods which reduce project costs must be encouraged. Congress should take every opportunity to reduce costs on federal and federally assisted construction projects. This technique has proven its effectiveness and should be implemented on all federal construction projects.

"The facts prove that Value Engineering can successfully reduce costs when employed. One large federal-aid highway contract reduced cost \$500,000 on the fencing through Value Engineering. This technique is currently being used by the Federal Highway Administration and the Army Corps of Engineers whose programs are under the Public Works Committee's jurisdiction. The interest of the Environmental Protection Agency in this tool is growing as evidenced by its cosponsorship of a conference on Value Engineering in St. Louis last November.

"So long as we are a changing and developing nation committed to improved standards of living, I do not see how we can reduce our commitment to essential construction programs. There are many who say that the emphasis on growth during our two centuries as an independent nation has been harmful. I do not agree. I fully recognize that there have been undesirable side effects of our determination to build. Without that determination, however, our country and its benefits would not exist today.

"I also believe that federal involvement is so well established that it must be a permanent feature of construction in our country. Federal programs will not be static in the years ahead. We must examine the needs of our country and respond to them. We must have reasoned involvement in the segments of our society.

"Value Engineering will not solve all the problems with construction costs; however, it is the most effective technique available for identifying and eliminating unnecessary costs. I strongly urge that my colleagues give careful consideration to this important tool which works effectively for our valuable construction program."

A SUGGESTION INVOLVING MICROFILM FILES BROUGHT AN AWARD OF \$265 AND SUGGESTER OF the Month honors to Joyce McCutcheon, production control clerk in Branch 214, in a recent suggestion awards ceremony, reports The Beamrider, from the Naval Avionics Facility, Indianapolis.

Mrs. McCutcheon noted that there are two files in the Print Crib, one holding routings, ECNs, ADs and microfilm and the other containing microfilm for purchase only, and that when a clerk is asked for a print, she sometimes has to go from one file to another, resulting in much lost time. She also noted that microfilm is frequently filed in the wrong file, requiring a search for the misplaced microfilm.

In her Beneficial Suggestion, Mrs. McCutcheon recommended that the file containing all microfilm be located near the service desk and the Xerox L924 Printer. Annual estimated savings from her suggestion will amount to \$4,291, based on the time expended by service desk personnel.

AN INTENSIVE TWO-DAY SEMINAR IN "MATRIX MANAGEMENT" TO PROVIDE MANAGERS WITH specific methods for planning and controlling an organizational structure will be given June 13 - 14, in New York City by The Wharton School, U. of Pennsylvania. The \$395 - \$445 seminar is devoted to an examination of the design and implementation of forms of organization which combine product or project forms, functional forms, and geographic forms. Contact: 800/223-7450.

**SAVE NATIONAL PRESIDENT JIMMIE CARTER AND FOUR WASHINGTON SAVE MEMBERS ARE THE founding directors of a new corporation called The Value Foundation.**

The overall objective of the Foundation is to support the programs and activities of SAVE; and, in particular, to increase the "Outreach" activities first emphasized by then-SAVE President Jerry Kaufman. The Value Foundation also expects to increase the awareness and application of the Value technology in the Federal Government and elsewhere. It provides a new tax-exempt avenue for financial support for promoting Value technology.

The Value Foundation is being established under Section 501(c) (3) of the Internal Revenue Code which permits donors to make tax-exempt contributions. SAVE is organized under 501(c)(6) and is recognized by the IRS as a trade association. Therefore, SAVE cannot offer donors the tax-exempt benefits that the Foundation can. Also, the Foundation expects to structure itself to administer contracts, grants, and other projects supported by federal, state, local government and other foundations and associations. The Foundation expects this to be a source of funding and work for industry, consultants, students and others who fulfill the Foundation's objectives as stated in the articles of incorporation and the bylaws.

The initial board members of the Foundation had originally considered presenting The Value Foundation as an idea for consideration by the SAVE National Board in Detroit in May of 1977. However, the founders thought the possibility of specific response and action and support by SAVE National would be more rapidly forthcoming if the founders completed all the initial research necessary to establish a corporation and presented the actual articles of incorporation and the by laws. This would be more "time-effective" than just an idea on paper.

Therefore, formal papers were filed with the Washington, D. C., Recorder of Deeds to reserve the corporate name on April 1, 1977, and the incorporation documents were filed on April 29, 1977.

The founding directors and their responsibilities are: Jimmie Carter, Vice President in charge of Value Programs (the content of what the Foundation does); Robert Rossman as Vice President Operations (the administrative side of the business); Donald Parker as Secretary; Mike Zabych as Treasurer; and Hal Tufty as President. All directors serve without compensation, as stated in the bylaws (and required by IRS). If they spend more than half time as officers, they can resign as directors and receive compensation as officers.

Maximum cooperation with SAVE National's objectives is one of the Foundation's primary aims. A primary conduit for this coordination is expected to be through the national president of SAVE, who will have a permanent seat on the Foundation board by virtue of his position. (Carter remains a board member as a founder, even after he steps down as SAVE National President.)

Excerpts from the Articles of Incorporation illustrate the thrust of the Foundation:

"Third: The purposes for which the corporation is organized are: educational, professional, scientific, literary, civic, charitable, and for research and mutual improvement, planning, and for the promotion of social welfare by means of the widest use of Value Engineering, Value Management, Value Analysis, and other applications of the Value methodology.

"Fourth: The Corporation shall have members with such rights as may be set forth in the bylaws.

"Fifth: The number of directors or trustees of the Corporation shall not be less than five nor more than fifteen. The manner of their selection shall be provided for in the bylaws.

"Sixth: The assets of the Corporation upon dissolution or final liquidation shall be distributed so as to pay, satisfy and discharge all liabilities and obligations of the Corporation and next so as to accomplish one or more of the purposes for which the Corporation was created."

The bylaws, as currently drafted, made some of the following points:

"The Objectives of the Corporation shall be: To advance the state-of-the-art and application of Value technology through planning, research and education.

"To plan, develop and implement strategies for the introduction of Value technique into new areas of business, commerce and government.

"To promote the scientific education of college or university students in the fields of Value technology, cost control technology and life cycle costing technology.

"To establish a constituency of individuals concerned with improving the value of goods and services for consumers through research, development and demonstration Value work.

"To promote the general public awareness of the application of Value technology through Corporation-sponsored activities such as: publications, library centers, technology exchange, conferences, and studies.

"Article III - Members--Section 1: The membership in the Corporation shall be open to citizens, corporations, and associations. Corporate and association members shall, however, be subject to approval of the Board of Directors or the Executive Committee.

"Section 2: The categories of membership shall be as follows with annual gift as indicated: (a) Citizen members--\$25; (b) Contributing members--\$100; (c) Donor members--\$500; (d) Sustaining members--\$1,000; (e) Patron members--\$10,000.

"In addition to the categories set forth in section 2, there will be the following special categories of membership: (a) Endowing members--those who pledge a single gift of \$25,000 or more; (b) Founding members--those who affiliate with the Corporation within one year of its incorporation and pledge \$500 or more for the first year of the Corporation's operation or, who are significant contributors to the establishment of the Corporation and are so recognized by the Board of Directors within the first year.

"Article IV - Honorary Members. Qualifications and election requirements for Honorary members shall be as determined by the Board of Directors.

"Article V - Finances. Section 1: It shall be the intent of the Corporation to conduct its exempt activities as a non-profit, private operating foundation.

"Section 2: Business of the Corporation shall be conducted so as to refrain from acting so that it will not be liable for the taxes imposed by the following sections of the Internal Revenue Code: (a) 4941--tax on self-dealing; (b) 4942--tax on failure to distribute income; (c) 4943--tax on excess business holdings; (d) 4944--tax on jeopardizing investments; (e) 4945--tax on taxable expenditures.

"Section 3: Directors of the Corporation shall serve without compensation.

"Section 4: No loans shall be made by the Corporation to its directors or officers. Directors who vote for or assent to the making of a loan to a director or officer, and any officer or officers participating in the making of such a loan, shall be jointly and severally liable to the Corporation for the amount of such loan until the repayment thereof.

"Section 5: All contributions to the Corporation shall be received by and pooled in a common fund, except that any donor who is a substantial contributor has the right to designate annually the exempt purpose which is to receive the income attributable to the donor's contribution. A substantial contributor is any person who contributed or bequeathed an aggregate amount of more than \$5,000 to the Corporation, provided the amount is more than 2% of the total contributions for the tax year.

"Section 6: Substantial contributors are disqualified persons for the receipt of any contracts, grants, or any other form of compensation from the Corporation.

"Section 7: The Corporation shall distribute substantially all its adjusted net income of the common fund, directly for the active conduct of its exempt activities, not later than the 15th day of the third month after the close of the tax year in which the income is realized by the fund."

MARYLAND UNIVERSITY, ONE OF THE TEN LARGEST CAMPUSES, IS OFFERING TWO COURSES IN Value Technology, reports R. Glenn Woodward, Program Manager, Value Management Division, General Services Administration. They are:

1- A Value Management Workshop will be presented June 13 - 17, 1977 at the University of Maryland, University College, Center of Adult Education, College Park, MD. This workshop will offer study projects in construction, design, paperwork and procedures depending on the preference of the attendees. VM and Zero Base Budgeting will also be offered, as well as Life Cycle Costing. Attendees will be qualified as VE study team members for GSA and EPA contracts and have the training requirements for Certified Value Specialists. Three Continuing Education Units (CEU's) will be credited for this course. Glenn Woodward, P.E., CVS, is the senior instructor. The cost is \$375. Write: Registration Clerk, Conferences and Institutes Division, Maryland University, University College, College Park, MD 20742 or call (301) 454-2322.

2- Starting with the fall semester, 1977, Maryland University College of Engineering is offering a three-credit Value Engineering Course (ENCE 489D) on Tuesdays, 7:00 to 9:30 p.m., at the College Park campus. Registration is August 22 and 23, class starts August 30. Glenn Woodward and Dr. Donald Vannoy will be instructors. This is a unique opportunity to "Value Engineer" a VE workshop by attending at minimum time, travel and cost. Contact: Glenn Woodward (202) 566-0130.

MALCOLM CURRIE HAS REJOINED HUGHES AIRCRAFT COMPANY AS VICE PRESIDENT AND GROUP executive of Missile Systems Group. He replaces William F. Eicher, who is on extended leave of absence, reports the Hughesnews.

Dr. Currie returned after a seven-year absence which included, most recently, four years as director of Defense Research and Engineering for the Department of Defense.

Dr. Currie joined HAC in 1954 after graduating from the University of California at Berkeley. In 1961, he was appointed associate director of Hughes Research Laboratories at Malibu, and in 1965 was named a HAC vice president. He was named a Fellow of the Institute of Radio Engineers in 1963 for his major technical breakthrough in connection with noise in microwave tubes which more than doubled the degree of sensitivity attainable in microwave receivers like those used in military and high frequency relay systems.

Dr. Currie left HAC in 1969 when vice president and manager of Aerospace Groups' Research and Development Laboratories to take a position with Beckman Instruments. In 1973, he was named to his Pentagon post, director of Defense Research and Engineering, a presidential under-secretary-level appointment.

"BELL'S COST AWARENESS PROGRAM/PERFORMANCE IMPROVEMENT PROGRAM ACHIEVED A \$27.4 million savings in 1976, the second largest figure in program history," according to Dan Bjeletich, manager, Budgets, reports the Bell Helicopter News.

Increased Revenues, comprised of the Commercial, International, U. S. Government and Logistics Marketing Departments, reported \$5.5 million or 137 percent of their 1976 target. Reduced Costs, which constituted the largest segment of the year's savings, revealed a \$15.7 million savings.

Three Reduced Cost Programs achieved record savings in 1976. The programs, chairmen and coordinators are: Machining Center Improvement Program, Jim Dowell, Jeff Collier; Cost Avoidance Team-Machining Center, Jim Dowell, Charlie Davis, Bill Chumbley, Frank Marcenaro; Departmental Improvements, Larry Harrison, Cran Thayer, Larry Hayes.

Programs which doubled their annual goal were: Tooling and Manufacturing Methods Improvements, Dick May, Gaston Garrett; Accounting Departmental Improvement Program, Cran Thayer. Procurement Negotiations, under the direction of Bob Miles, netted a total of \$6 million in 1976.

**A SEWER EXECUTIVE SPEAKS OUT ON VALUE ENGINEERING IN AN INTERVIEW BY JOHN McCARTHY,** Technical Coordinator of the Metropolitan St. Louis Sewer District. Here is a bit of background: The MSD was chartered in 1954 and serves the City of St. Louis and about one-third of St. Louis County, covering an area of 240 square miles with a population of about 1,500,000. The citizens of the remaining two-thirds of St. Louis County are currently campaigning for annexation to the District which will come to vote in May and which, if successful, could double the present area and increase population by about 300,000.

Peter F. Mattei, P.E., became Executive Director of the District in 1960, at which time there was only one significant treatment plant with a total capacity of 3 MGD with most of the remaining 450 MGD going untreated to either the Missouri or the Mississippi rivers. Since then, three major plants have been constructed and are in operation, two of which provide primary treatment for an average 250 MGD discharged to the Mississippi. Design of secondary treatment for these two plants is underway with construction expected to begin this spring. This, together with other new plants within the District and in the potential annexed area comprise a \$300 million-plus construction program for wastewater treatment alone.

Mattei, currently president of the Missouri Society of Professional Engineers, attended the National Conference on Value Engineering Techniques in St. Louis in November 1976, and was asked his reactions on VE:

Question: Pete, when did you first become aware of Value Engineering? Mattei: Actually, I had heard of it many years ago through my connection with the U. S. Navy, but I didn't pay too much attention until about two years ago.

Question: Were you impressed? Mattei: I wouldn't say I was impressed because I really didn't know that much about it other than it was obviously a scheme to save money.

Question: What renewed your interest? Mattei: Well, when EPA began to encourage Value Engineering studies on a voluntary basis, I thought we had better get more familiar with it since we were at that time in the process of secondary design for our two plants on the Mississippi River. Then, of course, when it became a mandatory part of design last year, we had to get better acquainted. I have had several members of my staff keeping abreast of events for the past year or so, but I thought I had better get personally involved and that is why I attended this conference.

Question: What is your reaction now? Mattei: Let me first tell you my initial reaction which I suppose is typical. I thought that Value Engineering was a traditional part of engineering design and that every good consulting engineer Ve-ed all of his work -- you know, the best design for the least cost -- and that it was ridiculous to have to pay additional attention and money to refine the job. We were taught those ideas in school. That's what it's all about.

Question: Why do you say "typical?" Mattei: Well, it seemed that there were quite a few people at the conference who shared that feeling -- at least at the beginning. The consulting engineers were quite vocal and I guess you can't blame them because this is a new approach, another engineer checking their work and probably Monday-morning quarterbacking.

Question: Now you're more impressed? Mattei: You have to be impressed. When twenty-five or thirty percent of the construction cost of a project can be saved -- and with the approval of the designer as evidenced in these case studies -- you have to pay attention. Some people talk about twenty-five-cent or even ten-cent dollars from the local funds, what with federal subsidies. But that's not true. A dollar is a dollar and it must be respected.

Question: What do you think is the basic principle here? Mattei: Taking the fat out. Establishing and holding the basic function but slimming down the secondary or contributing systems.

Question: Do you think this was taught in engineering school? Mattei: No, not really, except in very general terms. What we were taught was the "Cost Effective" idea which is now a part of Step I design. Somebody said that Value Engineering is like 'fine tuning' the design -- that's good.

Question: Will this be accepted by design consultants? Mattei: It'll have to be, it's here. It's not all bad though. As a matter of fact, it may do a lot of good. We all develop bad habits and I think that sometimes designs are influenced too much by politics and personalities.

Question: What do you mean by that? Mattei: Influence of the local government on design is an accepted fact and some of that influence will not result in the most economical, functional design. Personalities, too, especially in the larger consulting firms and in the local government, may have developed prejudices for layouts or systems. Value Engineering may take the design out of that atmosphere at least for a while.

Question: How can design consultants absorb the additional cost of VE? Mattei: They can't and they're not supposed to. That's part of the problem now. The designer is usually on time schedule that is too restrictive and the normal fee for Step II work does not permit much lateral exploration. Most of this is grant eligible according to EPA and the design consultant certainly shouldn't suffer financially.

Question: What do you think will be the effect of Value Engineering on design? Mattei: It'll have a good effect. It will tend to sharpen up the designers and when we all realize that for a small additional investment we can perhaps reap a savings of forty or fifty or one-hundred times or more of that amount, we'll be willing to compensate the designer in addition to his fee. That's the way it should be done.

Question: How will the Metropolitan St. Louis Sewer District respond to Value Engineering? Mattei: We'll accept it and encourage it. One man on my staff will be qualified to be a member of a workshop or even to serve as a coordinator. He has already attended the training workshop and participated in a study workshop. We intend to take an active part in Value Engineering.

Question: You think Value Engineering is here to stay, then? Mattei: No question. It may lose its identity as a separate part of design if the consultant's fees are increased to compensate but it will still be in there.

Question: Are you glad you attended this conference? Mattei: Yes, indeed. I understand the idea much better now and I can even speak the language.

THE HARTFORD COURANT GAVE AN EIGHT-COLUMN BANNER HEADLINE "VALUE ENGINEERING Study Saves \$1 Million On Sewer Project," in its March 28, 1977 issue. It was a wrapup by Tom Barnes and Maryellen Wazorko of the VE savings previously reported in the Value Digest.

The story, in part, said: "VE was used to chop nearly \$1 million off the price tag of the Plainville 'advanced waste water treatment plant,'" according to James S. Minges of Minges Associates, designers of the addition to the Plainville treatment plant.

"What makes the Plainville addition unique in the State and one of only a handful in the entire U. S.," Minges says, "is the application of VE twice during the plant's design stages."

Minges says that by employing VE, "the initial cost of the addition -- \$7,550,000 -- was shaved by 13 percent, or \$952,000. This savings only covers the initial construction costs. EPA has estimated that over the next 30 years, Plainville will save \$13,200,000 in maintenance operation and replacement costs because of changes made through VE," said the Connecticut daily.

John Yago, staff director of the U. S. Senate Public Works Committee, says that Senator Jennings Randolph (D-W. Va.), Committee Chairman, will introduce legislation to encourage the use of VE on all government-funded construction projects. "

Plainville Sewer Superintendent Walter Karabin said his only reservation when the VE study was proposed was whether it could have been done by the town staff. However, he said, "the combination of VE experts from Minges and town officials resulted in substantial savings on the project."

Minges said the Plainville "success story" with the use of VE has been included in an EPA handbook on sewer projects.

**THE FIRST ENCYCLOPEDIA OF VALUE EVERY PUBLISHED IS NOW AVAILABLE FROM THE SOCIETY of American Value Engineers, reports C. P. Smith, SAVE Executive Director. It contains "information on all branches of knowledge in Value Engineering/Analysis, presented in abstract form, arranged alphabetically by subject," according to Smith.**

Included in the Encyclopedia are abstracts of over 410 papers published in SAVE Annual International Conference Proceedings from 1963 through 1976, with references provided for each abstract to the year of Proceedings and pages containing the complete paper presentation. Two alphabetical indexes are provided for ready reference; a general subject index under which the abstracts are grouped, and a key word index geared to the content of the individual papers. The hard-bound First Edition of over 120 pages is now available for immediate purchase and shipment from the SAVE National Business Office at special introductory prices of \$18.50 (SAVE member) and \$21.25 (non-member).

**TWO-TERM PAST-NATIONAL SAVE PRESIDENT (WHO IS ALSO PAST-NATIONAL PRESIDENT OF AIEE) Frank Johnson, PE, CVS, President, Johnson Management Corporation, Smyrna, GA., will be the VA seminar leader during two concurrent seminars on "Value Analysis for Productivity Improvement and Profit" and "Maintenance Management."**

The \$85-to-\$230 programs presented by the American Institute of Industrial Engineers, Inc. are tailored for design engineers; planning engineers; accounting; general management; plant manager; banking administrators; small business owners; federal, state and municipal government personnel; manufacturing operations; purchasing; quality control; vice president--operations; hospital administrators; and industrial engineers.

The other seminar leaders are W. Colebrook Cooling, of South Orange, N. J.; and Wallace J. Richardson, Professor of Industrial Engineering, Lehigh University. Dates and locations for the 3 two-day sessions are Chicago--June 13 - 14; Boston--June 20 - 21; and Toronto--November 14 - 15. Contact: (404) 449-0460.

**THE MAY 1977 PROGRESS REPORT ON THE VALUE ENGINEERING PROGRAM OF THE U. S. ARMY Corps of Engineers is now off the press, reports Corps military construction top VE man Paul Dobrow. The 44-page booklet highlights VE accomplishments in its civil works and military VE where savings in-house and from VECPs total \$427,700,000.**

"Actual savings are much larger than those shown. Until this year (FY77), reporting procedures allowed only three years of savings on costs such as operation, maintenance, energy and replacement to be claimed. Reporting procedures are being changed to correct this deficiency," said Dobrow.

To sum up the Corps' attitude, General John W. Morris, Chief of Engineers, said "The Corps of Engineers recognizes and treats tax dollars as a finite resource and through Value Engineering is working to insure their preservation." For copies, contact Dobrow: (202) OXFORD 3-6738.

**A NEW "VALUE ANALYSIS PROGRAM GUIDE" HAS BEEN PUBLISHED BY THE NATIONAL INSTITUTE OF Governmental Purchasing, Inc. (NIGP) of Washington, D. C., Lewis E. Spangler, Executive Vice President, NIGP, said "Because success depends entirely upon the input of those individuals who are directly involved with the daily operations of federal, state, and local government purchasing, this guide indicates your place on the Value Analysis team and provides you with the background, procedures, and methodology of Value Analysis. This guide gives details on procedures for review, approval, and implementation of internal Value studies as well as contractor-submitted Value Change Proposals." Contact for the \$3 18-page booklet: NIGP, Suite 922, 1001 Connecticut Ave., N. W., Washington, D. C., 20036.**

**"UPDATE 78," THE SECOND ANNUAL CONFERENCE ON CONTRACT MANAGEMENT SPONSORED BY the American Institute of Aeronautics & Astronautics will be held June 6 - 8, 1977, in Arlington, Virginia. The \$200 - \$250 conference covers the major problem areas of today and the immediate future in aerospace, defense and electronics and is structured for both contractor and government personnel alike. Contact: (213) 437-7465.**

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"Zero-Base Planning and Budgeting Digest" is published monthly by Tufty Communications Co., 986 National Press Building, Washington, D.C. 20045. Phone: (202) 347-8998. TCC also publishes the "Value Engineering and Management Digest" (founded in 1960). TCC guarantees a pro-rated subscription refund if not satisfied.

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