

**HAF(A7CF) - AFCEC  
PROGRAM MANAGEMENT PLAN  
FOR  
AIR FORCE MILCON EXECUTION**

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**1. GENERAL.**

**1.1 Purpose.** The purpose of this plan is to provide the contextual framework for the working relationship between Headquarters Air Force (HAF) Civil Engineer, Facilities Management Division (A7CF) and the Air Force Civil Engineering Center (AFCEC) for Military Construction (MILCON).

**1.2 Scope.**

- a. This plan applies to all Air Force MILCON where AFCEC is designated as the Design Manager/Construction Manager (DM/CM) or Design Agent/Construction Agent (DA/CA). It includes all Air Force funded MILCON Planning & Design, Major Construction, Unspecified Minor Military Construction (P-341), and Military Family Housing (MILCON).
- b. Although the Defense-Wide Energy Conservation Investment Program is not an Air Force account, it includes Air Force-sponsored projects. Planning and execution of these Air Force-sponsored projects will be accomplished in accordance with this plan to the extent practical.
- c. Air Force Base Realignment and Closure (BRAC) is managed by SAF/IEI. Although this plan does not specifically cover BRAC, much of the content is applicable.
- d. The following programs are not covered by this plan: Air Force Reserve, Air National Guard, and Defense-Wide MILCON, e.g., Defense Medical, (MFP)-11.

**2. ROLES.**

**2.1 Overview.** The following matrix illustrates the roles of HAF and AFCEC in terms of the DoD Planning, Programming, Budgeting, and Execution System (PPBES) with respect to Air Force MILCON.

Table 2.1 ROLES				
	Planning	Programming & Budgeting	Execution	
			Design	Construction
<b>Installation</b>	<b>OPR</b>	OCR	OCR	OCR
<b>MAJCOM/DRU</b>	<b>OPR</b>	OCR	OCR	OCR
<b>AFCEC</b>	OCR	OCR	<b>OPR</b>	<b>OPR</b>
<b>HAF</b>	OCR	<b>OPR</b>	OCR	OCR

OPR - Office of Primary Responsibility  
 OCR - Office of Collateral Responsibility - input for action or review of product is required

**2.2 Installation, Major Command (MAJCOM), Direct Reporting Units (DRU).** The Installation is responsible for MILCON planning with support from the MAJCOM/DRU. Refer to

Air Force Instruction (AFI) 32-1021, *Planning and Programming Military Construction (MILCON) Projects*. Refer to Appendix B of this plan for discussion of planning activities.

**2.3 AFCEC.** AFCEC is responsible for executing AF MILCON DM/CM roles/responsibilities. Refer to AFI 32-1023, *Designing and Constructing Military Construction Projects*. Refer to Appendix B for discussion of design activities.

**2.4 HAF.** HAF/A7CF programs projects (the application of budgetary resources to requirements), formulates policy/guidance, and provides oversight of the Air Force MILCON process. Refer to AFI 32-1021 and AFI 32-1023.

## **2.5 DESIGN AND CONSTRUCTION AGENT.**

**a. General.** Design and construction of projects will be executed by the DA/CA supporting the AF installations in accordance with Department of Defense Directive (DoDD) 4270.5, *Military Construction*. Requests to use an alternate DA/CA will be processed from AFCEC/CF to the assigned agent. If the assigned construction agent does not agree on a specific project and AFCEC desires to request permission from DUSD(I&E) to design and construct the project over the objections of the assigned agent as anticipated by DoDD 4270.5, paragraph 4.3.3.2, AFCEC/CF will submit the request to AF/A7CF for further action.

**b. Special Instructions for Military Family Housing (MFH) MILCON.** The MFH MILCON program consists of New Construction Program (P-711 Funds) and Construction Improvements program (P-713 Funds). The MFH New Construction Program includes congressionally authorized and appropriated line-item specific projects located both inside and outside of the United States. For new construction projects located outside of the United States (other than British Isles), the Air Force must use the designated design and construction agents based on the geographic areas: Either Army Corps of Engineers (USACE) or Naval Facilities Engineering Command (NAVFAC). This is directed in DoDD 4270.5. The MFH Construction Improvements Program is a lump sum authorized and appropriated program. For improvement projects located both inside and outside of the United States, the Air Force has the option to use either USACE or NAVFAC in addition to AFCEC for the design and construction agents. Also, local engineering and contracting functions can serve as DA/CA with AFCEC oversight as DMCM in specific theaters where appropriate.

**3. MANAGEMENT CONTROLS.** The tables below summarize the controls in-place to manage the MILCON program.

<b>Table 3.1 Design</b>		
<b>ISSUE</b>	<b>REQUIREMENT/SUBMITTAL</b>	<b>APPROVAL</b>
<p><u>3.1.c. Architectural and Engineering Services for which the Estimated Cost Exceeds \$1M</u></p> <p>Refer to Title 10 United States Code (USC) §2807 Notification of Architectural and Engineering Services and Construction Design</p> <p>Also see Defense Federal Acquisition Regulation 236.601, <i>Architect-Engineer Services, Policy</i></p>	<p>In the case of architectural and engineering design services for which the estimated cost exceeds \$1M, the Secretary of the Air Force notifies the appropriate committees of Congress of the scope of the proposed project and the estimated cost. Funds may then be obligated after the end of the 21-day period beginning on the date on which the notification is received by the committees or end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium.</p> <p>HAF/A7CF will initiate the notification package to send to Congress, with a goal to submit late in FY minus 3 years.</p> <p>Refer to Appendix C for additional information.</p>	<p>Deputy Assistant Secretary of the Air Force, Installations (SAF/IEI), approves and signs the notification to Congress. Title 10 United States Code (USC) §2807 is a notice-and-wait provision so approval of Congress is not needed to proceed. However, any inquiry by Congress suspends the notice-and wait "clock" until a satisfactory response is provided to Congress.</p>
<p><u>3.1.d. Initial Design Instructions (DI)</u></p> <p>Initial Design Authorization</p>	<p>HAF/A7CFC issues initial DI for each project through the ACES-PM with email notification to AFCEC/CF. Typically, the initial DI Authorizes the project to Code 3(15% or parametric) design for projects not requiring 2807 action. For project requiring 2807, the initial DI will be to proceed with A/E selection only and hold award pending completion of 2807 action.</p>	<p>HAF/A7CFC Approves</p>
<p>3.1.e. Final Design Instructions</p> <p>Design Authorization Code 7 (request for proposal preparation) or Code 6 (100%) design</p>	<p>HAF/A7CFC PM will issue Code 7 (request for proposal preparation) or Code 6 (100%) Design Instruction after the 15% design scope has been reviewed by A7CF and AFCEC, and the project has survived the OSD BES program/budget review.</p>	<p>HAF/A7CFC Approves</p>
<p><u>3.1.f. Criteria</u></p> <p>Compliance</p>	<p>Projects will comply with established AF criteria. HAF/A7CF and AFCEC are both responsible for providing written confirmation of policy waivers to AFIs assigned. Neither DM/CM nor the DA/CA has the authority to waive AF criteria without HAF written approval.</p>	<p>HAF/A7CF Approves</p>

Table 3.2 Authority to Advertise		
ISSUE	REQUIREMENT/SUBMITTAL	APPROVAL
<p><u>3.2.a. Advance Authority to Advertise</u></p> <p>When the authorization and appropriations bills HAVE NOT been signed into law by the President.</p>	<p>HAF/A7CF will monitor committee actions. When three positive marks are received HAF/A7CF will review all positively marked projects for any conditions that might preclude advertising. .</p>	<p>Upon 3 positive marks and no unusual circumstances that might preclude advertising, HAF/A7CF will issue authority to award on all positively marked projects.</p> <p>AFCEC will advertise a project based upon consideration of the following:</p> <ul style="list-style-type: none"> <li>- Status of design</li> <li>- Status of environmental documentation</li> <li>- CWE relationship to appropriated amount - generally base bid must be 97% of the appropriated amount or less</li> <li>- Nature and value of bid options and bid additives</li> <li>- design and proposed solicitation conforms to the scope on the approved DD Form 1391</li> </ul>
<p><u>3.2b Authority to Advertise</u></p> <p>When the authorization and appropriations bills have been signed into law by the President</p>	<p>AFCEC/CF Branch Chief coordinates with HAF/A7CF.</p>	<p>AFCEC/CF Approves</p>

Table 3.3 Authority to Fund and/or Award		
ISSUE	REQUIREMENT/SUBMITTAL	APPROVAL
<p><u>3.3.a. Preposition Funds</u></p> <p>Preposition construction funds with CA prior to request for authority to award</p>	<p>AFCEC submits request by project. Pre-positioning of funds is to enable project award in the year of appropriation and is not standard operating procedure. AFCEC/CRF will submit end of year pre-positioning list to HAF/A7CF for approval and then process funds request on an individual project-by-project basis.</p>	<p>A7CF approve</p>
<p><u>3.3.b SAF/IEI Authority to Award (Cost Increase)</u></p> <p>SAF/IEI provides authority to award in the cases of a cost increase when any of the following three conditions exists:</p> <ol style="list-style-type: none"> <li>1) The CWE is \$ \$4.00M or more above the appropriated amount</li> <li>2) The CWE/appropriated amount ratio is 1.25 or more</li> <li>3) An above threshold reprogramming is required</li> </ol>	<p>Title 10 USC §2853 requires Congressional notification under these circumstances. See Table 3.4.</p> <p>See Table entry 3.4.a. for conditions that dictate the requirement for an above threshold reprogramming.</p> <p>SAF/IEI approval will be obtained before making the initial award under the following circumstance: When the initial award can be made within these thresholds but the intent is to subsequently award additional work (options, supporting contracts, etc.) that may cause any of these thresholds to be exceeded</p>	<p>SAF/IEI approves</p>

Table 3.3 Authority to Fund and/or Award		
ISSUE	REQUIREMENT/SUBMITTAL	APPROVAL
<p>3.3.c <u>SAF/IEI Authority to Award (Scope Reduction)</u></p> <p>SAF/IEI provides authority to award in the cases of a scope reduction of 25% or more from the amount specified for that project, construction, improvement, or acquisition in the justification data provided to Congress as part of the request for authorization of the project, construction, improvement, or acquisition</p>	<p>Title 10 USC §2853 requires Congressional notification under these circumstances. See Table 3.4.</p>	<p>SAF/IEI approves</p>
<p>3.3.d <u>SAF/IEI Authority to Award (Cost Decrease)</u></p> <p>SAF/IEI provides authority to award in the cases of a cost decrease when either of the following two conditions exists:</p> <ol style="list-style-type: none"> <li>1) The CWE is less than the appropriated amount minus \$4.00M</li> <li>2) The CWE/appropriated amount ratio is less than 0.75</li> </ol>	<p>Title 10 USC §2853 requires Congressional notification under these circumstances. See Table 3.4.</p>	<p>SAF/IEI approves</p>
<p><u>3.3.e. HAF/A7CFC Authority to Award</u></p> <p>Except for the conditions in table entries 3.3.b., 3.3.c., and 3.3.d., HAF/A7CFC can provide authority to award up to the lesser of the following two limits:</p> <ol style="list-style-type: none"> <li>1) An award CWE/appropriated amount ratio of 1.15</li> <li>2) An award CWE of \$1.50M over the appropriated amount</li> </ol>	<p>AFCEC provides e-mail request to HAF/A7CFC including justification, funding sources, award scope, and bid options/additives as applicable.</p>	<p>HAF/A7CFC approves</p>
<p><u>3.3.f. HAF/A7CF Authority to Award</u></p> <p>Except for the conditions in table entries 3.3.b., 3.3.c., 3.3.d., and when AFCEC/CF authority is exceeded, HAF/A7CF can provide authority to award.</p>	<p>AFCEC provides e-mail request to HAF/A7CF including justification, CWE, funding sources, award scope, and bid options/additives as applicable.</p>	<p>HAF/A7CF approves</p>

Table 3.4 Congressional Thresholds		
ISSUE	REQUIREMENT/SUBMITTAL	APPROVAL
<p><u>3.4.a. Above Threshold Reprogramming</u></p> <p>The congressional appropriations committees must approve, in writing, any reprogramming of funds to a project in excess of the reprogramming threshold found (annually) in the committee reports for the Military Construction and Veterans Affairs and Related Agencies Appropriation Bill</p>	<p>The above threshold reprogramming criteria for a MILCON project is 25 percent over the appropriated amount or \$2M, whichever is less. Reprogramming actions are processed through the Air Force Secretariat to the Office of the Secretary of Defense (Comptroller) which submits the report to Congress for written approval by the House &amp; Senate Appropriations Committees.</p> <p>AFCEC must provide a draft of the required Congressional reprogramming documentation to HAF/A7CFC for continuance of action. See sample in the DoD Financial Management Regulation, Volume3, Chapter 7.</p> <p>Note: Depending on the values of the appropriated amount and CWE, the following conditions are possible: (1) both a reprogramming and Title 10 USC 2853 notification are required, (2) only a reprogramming is required.</p>	<p>Reprogramming must be approved (in writing) by the appropriations committees of both the House and the Senate.</p> <p>Funds cannot be obligated until the Congressional approval is complete.</p>
<p><u>3.4.b. Congressional Cost Variations and Scope Reductions</u></p> <p>Authority to award or provide additional funds to a project with a CWE that exceeds the authorized thresholds specified in Title 10 USC §2853</p> <p>Note: Project termination/cancellation is treated as cost or scope reduction</p>	<p>In addition to any reprogramming approval required by the congressional appropriations committees as described in paragraph 3.4.a. above, Title 10 USC §2853 requires congressional notification if any of the following circumstances are present:</p> <p>(1) The cost authorized for a project is to be increased or decreased by more than 25% of the amount approved for the project or \$4M, whichever is less.</p> <p>(2) The scope of work for a project is to be <u>reduced</u> more than 25% of the amount approved for that project.</p> <p>In such cases the SAF/IEI notifies the appropriate congressional committees (in writing) of the cost increase or reduction in scope, the reasons, and a source of funds to be utilized (if applicable).</p> <p>AFCEC must provide drafts of the required Congressional notifications to HAF/A7CF for continuance of action.</p> <p>Refer to Appendix E for information on calculating scope reductions.</p>	<p>For an increase in cost or reduction in scope, SAF/IEI approves and signs the notification to Congress. This is a notice-and-wait action. Express approval of Congress is not required. Funds may then be obligated after the end of the 21-day period beginning on the date on which the notification is received by the committees or end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium. Prior to obligation of funds, AFCEC must confirm with HAF/A7CF that Congress has not expressed any objection.</p> <p>In the case of a cost decrease, the Secretary notifies the appropriate Congressional committees in writing not later than 14 days after the date funds are obligated.</p>

**4. MILCON PROCESSES.**

**4.1 Activities.** See Appendix B for discussion of design/construction codes, planning activities, and design activities.

**4.2 Timeline.** See Appendix F for MILCON timeline and milestones.



## 5. CONSTRUCTION MODIFICATIONS

**5.1 Funding.** The CWE approval thresholds in Tables 3.3 and 3.4 also apply to a MILCON project after construction contract award.

**5.2 Definitions.** See Appendix D for HAF/A7C memo, 19 December 2011 providing definitions of mandatory and discretionary guidance on approval authority. Also at Appendix D is the endorsement of the memo by the Air Force Vice Chief of Staff in an email to all Air Force Commanders on 22 December 2011.

**5.3 Agreement on Change Order Classification.** The CM and CA must agree on categorization of changes, e.g., mandatory or discretionary. This determination/agreement must be reflected in the project record files and databases of each organization.

**6. FINANCIAL MANAGEMENT. Total Obligation Authority Control (TOA).** HAF controls the Total Obligation Authority (TOA) for the MILCON Program across the FYDP.

**6.2 Planning & Design Funds.** AFCEC/CRF will input all estimated MILCON Planning & Design (P&D) funding requirements into ACES-PM and provide an execution plan for issuance to the agents. AFCEC will provide monthly funds reports to HAF/A7CF indicating the receipt, obligation and status of all P&D funds by project and FY. Excessive carry-over of unobligated P&D funds should be avoided. The over-programming of P&D reduces the Air Force ability to include additional projects in the MILCON program. The inability to minimize the carry-over also puts the P&D account at risk of Congressional rescission. Oldest P&D funds should be used first. The joint HAF and AFCEC goal is carry-over the a total unobligated P&D balance of not less than \$10 million and not more than \$20 million at the start of each new Fiscal Year (1 October 20XX).

**6.3 Construction Funds Transfer.** Construction funds shall be released by SAF/FMBIC to the DA/CA at the direction of AFCEC/CR as outlined in the execution plan for each FY. AFCEC will manage funding both current and prior year within the program control limits outlined in the tables of Section 3 of this document. AFCEC has authority to move funds across appropriated projects when the source funds are savings returned from the CWEs of other funded projects; and, when the CWE of the recipient project is less than the project's appropriation. When the CWE of the recipient project exceeds its respective appropriation, or when AFCEC does not have sufficient funds available from other projects, the approval authorities in table 3.3 will apply. Any excess funds (difference between award CWE and appropriated amount) will be moved to the HAF withhold account at the time of award.

**6.4 Reduction to the Appropriated Amount.** When reductions in a project appropriation is required to fund Foreign Currency Fluctuation accounts or other MILCON bills such as rescissions, reductions and sequestrations, HAF/A7CF will determine the manner in which reductions are accomplished with input from AFCEC (unless otherwise directed by Congress). These actions change the reprogramming base. When a project's appropriation changes, HAF/A7CF will promptly notify AFCEC/CF and the adjustments will be recorded in the Congressional Action screen within ACES-PM.

**6.5 Funds Management.** SAF/FM maintains a record of the AF TOA and will distribute funds to the DA/CA as outlined/requested in the AFCEC execution plan for design and construction. Once funds are released to the DA/CA, AFCEC will be responsible for tracking and managing funds through financial closure.

**6.6 Form 378.** Upon approval by HAF, AFCEC will be informed to have their CFO request release of funding from SAF/FMBIC to the DA/CA through accomplishment of a Construction Program Authorization (Form 378).

**7. RIBBON CUTTER:** AFCEC will execute the Ribbon Cutter program.

**APPENDIX A, ABBREVIATIONS USED**

ACES - PM	Automated Civil Engineer System - Project Management
AF	Air Force
HAF/A7C	Headquarter Air Force/The Air Force Civil Engineer
HAF/A7CF	HAF/A7C Facilities Management Division
HAF/A7CFC	HAF/A7CF Construction
AFCEC	Air Force Civil Engineer Center
AFI	Air Force Instruction
BES	Budget Estimate Submission
BRAC	Base Realignment and Closure
CA	Construction Agent
CCD	Customer Concept Documents
CFO	Chief Financial Officer
CWE	Current Working Estimate
DA	Design Agent
DI	Design Instruction
DM/CM	Design Manager/Construction Manager
DoD	Department of Defense
DoDD	Department of Defense Directive
DRU	Direct Reporting Units
DUSD(IE)	Deputy Under Secretary of Defense (Installations & Environment)
ECIP	Energy Conservation Investment Program
FY	Fiscal Year
FYDP	Future Years Defense Program
HAF	Headquarters Air Force
HVAC	Heating, Ventilation, Air Conditioning
MAJCOM	Major Command
MFH	Military Family Housing
MILCON	Military Construction
NAVFAC	United States Naval Facilities Engineering Command
O&M	Operation & Maintenance
OCR	Office of Collateral Responsibility
OPR	Office of Primary Responsibility
OSD	Office of the Secretary of Defense
P&D	Planning & Design
P-341	Another Term for Unspecified Minor Military Construction
PI	Planning Instruction

PPBES	Planning, Programming, Budgeting, Execution System
PresBud	President's Budget
SAF/FMBIC	Secretary of the Air Force, Financial Management Budget, Investment Construction
SAF/IEI	Deputy Assistant Secretary of the Air Force, Installations
TOA	Total Obligation Authority
UMMC	Unspecified Minor Military Construction (see also P-341)
USACE	United States Army Corps of Engineers
USC	United States Code

## **APPENDIX B – DESIGN/CONSTRUCTION CODES, PLANNING ACTIVITIES, DESIGN ACTIVITIES**

This appendix identifies the differentiation between planning activities and MILCON design activities. Source of funds for planning activities must be Operation & Maintenance (O&M). Source of funds for design activities must be MILCON P&D. Source of funds is determined by the activities to be performed. The presence or absence of a design instruction has no bearing on the work classification and the resultant determination of funding required to be used.

### **DESIGN/CONSTRUCTION CODES**

The following nomenclature is employed:

Code 0. A centrally funded planning charrette, using O&M funds, is authorized.

Code 1. The project is authorized for accomplishment of site investigation work, preparation of pre-design cost estimate, and other pre-design work to the extent defined by special instructions of individual directives. Selection and negotiation (not award) of an A/E contract for design is authorized. This level of effort is considered to be a 3 percent design.

Code 2. Preparation of concept design is authorized. Award of a design contract is authorized, if appropriate. Approved concept design is considered to be 35 percent of the total design effort.

Code 3. Preparation of parametric design is authorized. Award of a design contract is authorized, if appropriate. Approved parametric design is considered to be 15 percent of the total design effort.

Code 4. The project design is on hold, pending a supplemental design directive.

Code 5. The project is deferred from the program. Do not start design. If design of the project by Government in-house personnel has begun, it will be terminated. If design is being accomplished by A/E contract, it will be concluded per note below.

Code 6. The project is authorized for final 100 percent design.

Code 7. Preparation of a request for proposal (RFP) for a design-build project is authorized. Award of an A/E contract to prepare a design-build RFP is authorized, if appropriate. Under Code 7, the design effort is limited to that which is appropriate to award a contract to a single construction contractor to perform both the design and construction of a facility using performance specifications under a firm, fixed-price contract; development of nominal technical project criteria is expected.

Code 8. The project is canceled and if design is being accomplished by A/E contract, it will be concluded per note below.

Code A. The project is authorized to be advertised, but not awarded. This code is used when funding is not yet available - Subject to the Availability of Funds. AF/A7CF must approve the use of the code A when it is used to advertise projects prior to the passing of the Fiscal Year budgets.

Code 9. A construction contract (or design-construct contract) is authorized for award.

Note: A deferred or canceled project may require termination of the A/E contract. Work must cease or be completed through the next logical stopping point.

## **PLANNING ACTIVITIES**

### **General**

Installation and MAJCOM are the OPR; however, AFCEC will coordinate with installation and MAJCOM and issue planning instruction as needed.

The FMR DoD Financial Management Regulation (FMR) 7000.14-R, Volume 3, Chapter 17, adopted the term “advanced planning” from congressional language (Senate Report 97-474, House Report 97-612) and is synonymous with the term “planning” in the MILCON community of practice.

The following are examples of advance planning functions cited in the DoD FMR and congressional reports:

- (1) Developing the requirements for a military construction project (project formulation).
- (2) Developing a master plan for an installation.
- (3) Initial explorations of project alternatives and rough drawings, e.g. functional relationship bubble diagram and site sketches but not building floor layouts/elevations/cross sections.
- (4) Facilities related management studies.
- (5) Conceptual analysis.
- (6) Making alternative site studies.
- (7) Developing and validating military construction project documentation prior to commencing project design.
- (8) Preparing engineering analyses and studies to develop technical design parameters prior to commencing project design.
- (9) Preparing environmental impact assessments and statements.

The terms “Requirement Document (RD I & RD II)” and “Customer Concept Documents (CCD)” are no longer used by HAF. The terms “Planning,” “Planning Instruction (PI), and “Planning Charrette” are preferred.

A planning charrette is a commonly used tool for development of a DD Form 1391.

For MILCON, the product of the planning effort is a completed DD Form 1391.

## **DESIGN ACTIVITIES**

### **General**

AFCEC is the OPR.

Design activities for MILCON projects must be funded with MILCON P&D.

### **Code 3 Design with Parametric Estimating (also known as a 15% design or parametric design)**

During the 1987 Congressional session, the Air Force presented a parametric cost estimating system that could be used to prepare budget estimate submittals (vice traditional concept/35% design) for military construction projects. As a result, the Congressional Armed Services Conference Report #101-331, 7 November 1989 (Page 678) stated that the conferees had no objection to the use of

parametric facilities planning for the basis of budget requests for military construction projects. For a full discussion, see UFC 3-710-01A, *Code 3 Design with Parametric Estimating*.

Prior to the start of a Code 3 Design with Parametric Estimating, the following are required:

- (1) A HAF approved DD Form 1391
- (2) If required, completion of a congressional notification per Title 10 USC §2807
- (3) A Design Instruction issued by HAF that authorizes a Code 3 design
- (4) MILCON Planning & Design Funds (must be used)

A Code 3 design consists of the following scope of work Prepare preliminary sketches of a site plan and area plan showing project features such as proposed buildings, roads, parking areas, etc.

- (1) Prepare pre-design level functional relationship diagram showing functional space arrangements
- (2) Review existing geo-technical data to determine possible impact on cost. If existing data is not available or is insufficient, limited geo-technical investigation should be conducted as required
- (3) Identify probable utility connection points
- (4) Provide a summary of environmental issues that would impact the cost of the project and require waivers and permits
- (5) Prepare pre-design level description narrative for mechanical, electrical, structural, information systems and determine approximate heating/ cooling/electrical loads
- (6) Identify unusual requirements (for example, special foundations, security and force protective design, asbestos or lead based paint abatement, special considerations, etc., ) that will influence the cost
- (7) Prepare a written report of the basis of design including design assumptions, and economic analysis considerations
- (8) The Code 3 design effort is not complete until it incorporates all valid comments and is approved by the using agency, installation, and MAJCOM
- (9) Thoroughly involve the user and obtain input and approval throughout all steps of this process
- (10) Prepare a cost estimate based on the design effort (AFCEC/CF submits a CWE for budget purposes to HAF by May/June prior to inclusion of the project in the OSD Budget Estimate Submission)

### **Code 2 Design (Also known as a Concept or 35% Design)**

AFCEC is the OPR.

Prior to the start of a Code 2 design, the following are required:

- (1) A HAF approved DD Form 1391
- (2) If required, completion of a congressional notification per Title 10 USC §2807
- (3) A Design Instruction issued by HAF that authorizes a parametric design
- (4) MILCON Planning & Design Funds (must be used)

Code 2 design will consist of, but not be limited to the following:

- (1) Thirty-five percent design drawings
  - a. Project site plan

- b. Area site plan
  - c. Complete subsurface investigation and analysis
  - d. Architectural floor plans that consider functional relationships, work area use, security requirements, and traffic flow patterns
  - e. Building sections
  - f. General interior finish selections
  - g. Exterior elevation drawings showing principal exterior finishes
  - h. General preliminary mechanical, electrical, and information systems layouts, including equipment capacities and sizes
  - i. Fire protection plan
  - j. Exterior utility plans
- (2) Outline specifications
- (3) Current working estimate for budget purposes (OPR submits a CWE for budget purposes to HAF by 1 July prior to inclusion of the project in the OSD Budget Estimate Submission)
- (4) Basis of design, including the following:
- a. Design assumptions
  - b. Design analysis and calculations
  - c. Economic analyses
  - d. List of materials and methods of construction to be used
  - e. Information systems requirements
  - f. Discussion of types and capacities of HVAC systems, including a description of the selected system
  - g. Discussion of types and capacities of primary electrical power, conduit, information systems, lighting, and other systems considered, including a description of the selected systems
  - h. Descriptions of the foundation, including any special requirements such as drilled piers, pilings, and support facilities
  - i. Site analysis that discusses the opportunities and constraints of the site and includes the recommendations from the installation design guide
  - j. Operability studies
  - k. Department of Defense Explosives Safety Board (DDESB) site approval, if required
  - l. Hazard analyses, if required
  - m. Preliminary erosion control analysis
  - n. Preliminary landscaping planting plan and a plant material analysis that reflects the selection of plant material native to the project area
  - o. Life cycle cost analyses
  - p. Building energy simulations, energy conservation studies, and design energy use calculations
  - q. Narrative description of the approach used and basis for antiterrorism/force protection measures, and a narrative description of those measures
  - r. Fire protection analyses
  - s. Corrosion mitigation plan



## APPENDIX C, AIR FORCE MEMO ON TITLE 10 USC §2807 REQUIREMENTS



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON, DC

07 DEC 2010

MEMORANDUM FOR CHIEF, CAPITAL INVESTMENT MANAGEMENT  
DIVISION AIR FORCE CENTER FOR ENGINEERING AND  
THE ENVIRONMENT

FROM: HQ USAF/A7CP  
1260 Air Force Pentagon  
Washington, DC 20330-1260

SUBJECT: Title 10 USC 2807(b) Architectural & Engineering Services and Construction  
Design

1. This memorandum updates Air Force policy regarding the compliance with Title 10 USC §2807(b):

*(b) In the case of architectural and engineering services and construction design to be undertaken under subsection (a) for which the estimated cost exceeds \$1,000,000, the Secretary concerned shall notify the appropriate committees of Congress of the scope of the proposed project and the estimated cost of such services before the initial obligation of funds for such services. The Secretary may then obligate funds for such services only after the end of the 21-day period beginning on the date on which the notification is received by the committees or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.*

2. The following guidance is provided:

a. Title 10 USC §2807(b) establishes procedures for notifying the concerned committees of Congress when design will be undertaken on projects with significant costs. Notification is also required for projects undertaken by government personnel. (House Report 97-612, Senate Report 97-474)

b. When a large project is undertaken or when several projects for the same functional purpose are undertaken, the concerned committees will be notified prior to start of design for any portion of the undertaking even though (1) the project design may be subdivided into several architect and engineer contracts or a combination of architect and engineer contracts and design performed in-house by government personnel and (2) the design costs for such portion may be less than the reporting threshold specified by law. (House Report 97-612, Senate Report 97-474)

c. In-house costs associated with obtaining and administering such services are separate from the services themselves. These costs do not apply to the threshold. All other costs funded with planning and design funds apply to the threshold.

d. During the notification waiting period, public announcement of the plan to initiate design on a particular military construction project may be made and administrative actions leading to award of the architect/engineer (A/E) contract may be started. (House Report 97-612, Senate Report 97-474)

e. A/E services and construction design planned for projects that are congressional inserts or directed designs are subject to the Title 10 USC §2807(b) notification requirements.

## APPENDIX C, AIR FORCE MEMO ON TITLE 10 USC §2807 REQUIREMENTS

f. For projects executed as design-build, a project-specific design cost estimate will normally be made and used as the basis for determining the notification requirements. For a design-build contract, the design effort accomplished by the construction contractor and funded with construction dollars is not applicable to the Title 10 USC §2807(b) threshold.

g. In the absence of a design cost estimate, six percent of the programmed amount will be used by AF/A7CP as the estimated cost of the A/E services and construction design for the purpose of determining notification requirements.

h. Preparation of a request for proposal for a design-build contract is considered A/E services and construction design and subject to the Title 10 USC §2807(b) notification requirements.

i. The level of effort authorized by a design instruction (3%, 15%, 30%, 100%, etc.) has no bearing on the notification requirement; notification must be completed (including the wait period) prior to start of any design including that performed by government personnel.

j. Due-diligence will be accomplished by the Air Force in determining which projects require notification. An up-front, good-faith effort will be employed in evaluating the need for a Title 10 USC §2807(b) notification and, if there is any perceived potential for reaching the threshold, prior notification should be made. In the case where no notification has been made and the threshold is approached after start of design, notify AF/A7CP and request further guidance.

k. Notwithstanding Title 10 USC §2807(b) requirements, procurement/financial management regulations may, in some cases, also require Congressional notification. This policy memorandum does not relieve the requirement to comply with procurement/financial management regulations governing notification.

3. AF/A7CP is the office of primary responsibility for Title 10 USC §2807(b) notifications. The provisions in this letter will be incorporated into AFI 32-1023, Designing and Constructing Military Construction Projects. My point of contact for this matter is Mr. Robert Gill, HQ USAF/A7CPA, DSN 223-3402.



JOHN J. ALLEN, JR., Col (S), USAF  
Chief, Programs Division  
DCS/Logistics, Installations & Mission Support

**APPENDIX D, AIR FORCE MEMO ON MILCON EXECUTION**



**DEPARTMENT OF THE AIR FORCE**  
**HEADQUARTERS UNITED STATES AIR FORCE**  
**WASHINGTON, DC**

MEMORANDUM FOR ALMAJCOM/A7

**19 DEC 2011**

FROM: HQ USAF/A7C  
1260 Air Force Pentagon  
Washington, DC 20330-1260

SUBJECT: Guidance on Execution of Air Force Military Construction

The purpose of this memorandum is to provide guidance on the management of Air Force Military Construction (MILCON) resources during execution.

Notwithstanding the recent favorable bidding climate in certain geographies, the Air Force corporate MILCON account is under stress due to rescissions, general reductions, currency fluctuation, meritorious claims, emergency construction, unanticipated high bids and replacement of damaged/destroyed facilities. Nevertheless, our objective remains to complete all Air Force MILCON projects at the authorized scope within the amount appropriated.

To better manage and optimize the limited Air Force MILCON resources, we are adjusting our policies to limit use of programmatic savings and minimize changes during design and construction. The attached guidance will facilitate the availability of MILCON resources to pay corporate bills levied by DoD and Congress or other unanticipated costs. Your support of this initiative will greatly contribute to the stewardship of our limited MILCON resources. Please ensure widest dissemination to your installations.

A handwritten signature in black ink, reading "Timothy A. Byers", is positioned above the typed name and title.

TIMOTHY A. BYERS, Maj Gen, USAF  
The Civil Engineer  
DCS/Logistics, Installations & Mission Support

Attachment:

1. Air Force MILCON Execution Guidance

## APPENDIX D, AIR FORCE MEMO ON MILCON EXECUTION

### Air Force MILCON Execution Guidance

The Air Force objective remains to complete all Military Construction (MILCON) projects at the congressionally authorized scope within the amount programmed.

It is imperative that all organizations with a vested interest in a MILCON project be involved in the project execution process from inception through completion of construction, with the most critical points being the development of the requirements document and the DD Form 1391, Military Construction Project Data. MAJCOMs, bases, and using agencies must provide all project related requirements early in the planning stages and then perform critical reviews of both the requirements document and DD Form 1391 to ensure the criteria/requirements are accurately identified and estimated. Once a project enters the President's Budget cycle, our ability to meet any previously unidentified user-specific need greatly diminishes.

### Special Instruction for Air Force Active Component MILCON

For awarded projects, undistributed project savings will be transferred to a Headquarters, Air Force (HAF) withhold account as soon as feasible. For future awards, all project savings will be transferred to the HAF withhold account at the time of contract award. The withhold account will not be used to source a below threshold reprogramming unless approved by HAF. The HAF withhold account will be managed by AF/A7CP and used for payment of the following:

- Award of projects with current working estimates above the appropriated amount
- Above threshold reprogrammings
- Rescissions
- Currency fluctuation account assessments
- Contractor claims that are recognized as meritorious by the contracting officer or other authority having jurisdiction and that cannot be sourced from existing project contingencies, undirected funds from the project, contingencies from other projects, or expired funds

Contingencies provided at the time of award will normally be limited to five percent of the estimated cost of construction. It is important to stress that contingencies are intended for unforeseen changes and allow for construction to continue providing a complete and usable real property facility. Discretionary use of contingency funds will be closely scrutinized and sparingly approved. The goal is to manage execution within this five percent allowance across the MILCON program. AFCEE may use funds in undirected accounts (funds returned from projects at red zone/financial closeout) for project requirements as needed. When it is necessary to move these funds among projects, existing transfer procedures and threshold rules will apply.

Mandatory changes are approved by the construction agent in coordination with the AFCEE project manager. Coordination is necessary to preclude unforeseen bills, and to ensure

## APPENDIX D, AIR FORCE MEMO ON MILCON EXECUTION

the change is properly categorized. If the AFCEE Project Manager determines that it is a non-mandatory change, a Change Request Form and the procedures below will apply. [*Mandatory changes are unavoidable changes required to allow construction to continue, and provide a complete and usable real property facility. Such changes are caused by unforeseen factors encountered during design or construction, e.g., design errors, criteria changes mandated for immediate implementation by HAF, differing site conditions, or unavailability of materials. These changes include those absolutely necessary for completion of the project but not those justified by improved efficiency of operation, maintenance, function, or appearance.*]

During design and construction, approval of all non-mandatory (discretionary) changes resides with the Director, AFCEE, and cannot be re-delegated below the branch chief (O-5 or civilian equivalent). Non-mandatory (discretionary) changes presented to the Director for funding consideration must first be validated by the MAJCOM Civil Engineer. [*Non-mandatory (discretionary) changes include any criteria changes that are not mandated for immediate implementation by HAF; changes that would improve the efficiency, maintainability, functionality, or appearance of the facility; and resiting a project during design or construction.*]

## APPENDIX D, AIR FORCE MEMO ON MILCON EXECUTION

-----Original Message-----

From: Breedlove, Philip M Gen MIL USAF AF/CV

Sent: Thursday, December 22, 2011 11:35 AM

To: McKinley, Craig R GEN MIL NG NGB ARNG; Hoffman, Donald Gen USAF AFMC HQA FMC/CC; North, Gary L Gen USAF PACAF PACAF/CC; JOHNS, RAYMOND E JR Gen USAFAMC AMC/CC; RICE, EDWARD A JR Gen USAF AETC AETC/CC; Welsh, Mark A III Gen USAF USAFE USAFE/CC; Shelton, William L Gen USAF AFSPC AFSPC/CC; Hostage, Mike Gen USAF ACC ACC/CC; STENNER, CHARLES E JR LtGen USAF AFRC AFRC/CC; Gould, Mike C Lt Gen USAF USAFA USAFA/CC; Fiel, Eric E LtGen USAF AFSOC AFSOC/CC; Kowalski, James M LtGen USAF AFGSC AFGSC/CC; McDew, Darren W Maj Gen MIL USAF AFDW/CC Cc: Newton, Richard Y Lt Gen MIL USAF AF/CVA; Davis, Audrey Y SES USAF AF/CVA; Yonkers, Terry A HON USAF SAF/IE; Fedder, Judith A Lt Gen MIL USAF AF/A4/7; Tune, Debra SES USAF SAF/IE; Young, Trish SES USAF AF/A4/7; Byers, Timothy A Maj Gen USAF AF/A7C; Correll, Mark A SES USAF AF/A7C; Martinson, David A Col MIL USAF AF/A7C; HAF/ES Workflow; Parker, Brandon D Lt Col USAF AF/CC; Otey, Gregory S Col MIL USAF AF/CV; Rinehart, Brooke A Maj MIL AF/CV; Stuart, Brian R Lt Col MIL USAF AF/CVA; Johnston, Elizabeth E Maj MIL USAF AF/CVA; AF/CVA Workflow; Williams, Calvin Col MIL USAF SAF/IE; Jackson, Gary L LtCol MIL USAF SAF/IE; AF/A4/7 Executive Officer; AF/A4/7 Asst Executive Officer; AF/A7C Executive Officer

Subject: Execution of Air Force Military Construction

Commanders,

Wanted to keep you all posted on the latest info/guidance The Civil Engineer has developed for on management of MILCON resources during execution.

Notwithstanding the recent favorable bidding climate in certain geographies, the Air Force corporate MILCON account is under stress due to rescissions, general reductions, currency fluctuation, meritorious claims, emergency construction, unanticipated high bids and replacement of damaged/destroyed facilities. Nevertheless, our objective remains to complete all Air Force MILCON projects at the authorized scope within the amount appropriated.

To better manage and optimize the limited Air Force MILCON resources, we are adjusting our policies to limit use of programmatic savings and minimize discretionary changes during design and construction. AF/A7C distributed specific guidance to MAJCOM/A7s (attached) to facilitate the availability of MILCON resources to pay corporate bills levied by DoD and Congress or other unanticipated costs. Your support of this initiative will greatly contribute to the stewardship of our limited MILCON resources.

v/r

Phil

**APPENDIX E, DUSD(IE) MEMO ON SCOPE VARIATIONS**



**OFFICE OF THE UNDER SECRETARY OF DEFENSE**  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

JAN 24 2013

**MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,  
ENERGY, AND ENVIRONMENT)  
ASSISTANT SECRETARY OF THE NAVY (ENERGY,  
INSTALLATIONS, AND ENVIRONMENT)  
ASSISTANT SECRETARY OF THE AIR FORCE  
(INSTALLATIONS, ENVIRONMENT, AND LOGISTICS)  
COMMANDER, U.S. SPECIAL OPERATIONS COMMAND  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES**

**SUBJECT: Authorized Scope of Work for Military Construction Projects**

The Department of Defense (DoD) Inspector General released a report in February 2012 that identified issues with defining and executing the authorized scope of work for military construction projects. Although the report focused on projects in Afghanistan, it demonstrated the need for greater clarity and consistency in defining the authorized scope of work across the entire military construction program.

In view of this, I am issuing the attached guidance applicable to Military Construction project documentation and administration, with emphasis on scope-of-work variations covered by section 2853 of title 10, United States Code, as recently amended by the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239). This policy will be incorporated into a future DoD Instruction, and will become effective with projects authorized in FY 2014, except for the requirement for additional data on DD Form 1391, which will become effective with projects submitted for authorization in FY 2015.

I appreciate your support to ensure that our projects fully meet mission requirements within available resources and other provisions of law.

John Conger  
Acting Deputy Under Secretary of Defense  
(Installations and Environment)

Attachment  
As Stated

## APPENDIX E, DUSD(IE) MEMO ON SCOPE VARIATIONS

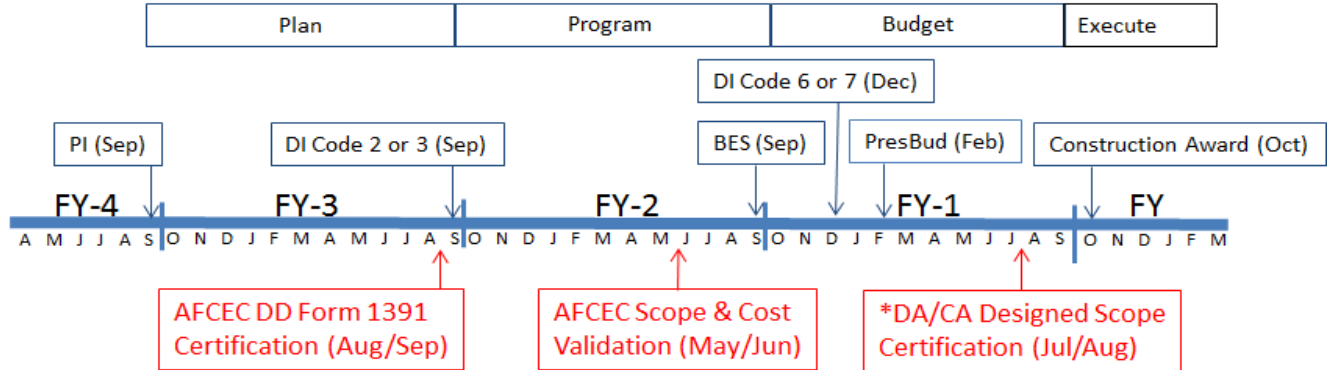
### Authorized Scope of Work for Military Construction Projects

1. The following guidance applies to all specified military construction projects submitted to Congress for authorization in accordance with section 2802 of title 10, United States Code:
  - a. Each distinct facility listed in Block 9 of the DD Form 1391 (Military Construction Project Data) must indicate the appropriate five- or six-digit Military Department category code adjacent to the item description. A distinct facility possesses a unique real property category code described by the functional requirement in Block 11, and a quantity in the category code unit of measure. Components of distinct facilities that are listed separately do not constitute distinct facilities, even if quantified. Items such as cost premiums for design features (e.g., sustainable design) that are represented by "lump sum" quantities do not constitute distinct facilities.
  - b. Where a project includes multiple distinct facilities, Block 6 of the DD Form 1391 must reflect the code of the predominant facility.
  - c. The DoD construction agent for a project must certify to the project sponsor, prior to final design approval, that the final facility design is within the scope of work authorized by Congress, and that it provides for a complete and useable facility.
  
2. The following guidance applies to implementing scope-of-work variations for military construction projects in accordance with section 2853 of title 10, United States Code:
  - a. Scope variations for a military construction project shall be measured against the scope of distinct facilities represented in Block 9 of the DD Form 1391 authorized by Congress.
  - b. A scope variation is expressed as a percentage and calculated using the formula below for each distinct facility. Components shall notify Congress of decreases in scope greater than 25 percent for any distinct facility, and certify that the decreased scope still satisfies the mission requirement. Because section 2853 does not authorize increases in scope, Components must seek additional authorization via the annual authorization process if additional scope is required.
$$\% \text{ scope variation} = \left( \frac{\text{revised facility quantity}}{\text{authorized facility quantity}} - 1 \right) \times 100\%$$
  - c. The congressionally-authorized project scope (quantity) shall remain the baseline for purposes of calculating the percent variation on all scope changes over the life of the project.



APPENDIX F, MILCON TIMELINE AND MILESTONES

# MILCON Timeline & Milestones



PROGRAM YEAR =	FY 15	FY16	FY17	FY18	FY19	FY20
Construction Award	Oct 2014	Oct 2015	Oct 2016	Oct 2017	Oct 2018	Oct 2019
DA/CA Designed Scope Certification	Jul 2014	Jul 2015	Jul 2016	Jul 2017	Jul 2018	Jul 2019
PresBud	Feb 2014	Feb 2015	Feb 2016	Feb 2017	Feb 2018	Feb 2019
DI Code 6 or 7	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018
BES	Sep 2013	Sep 2014	Sep 2015	Sep 2016	Sep 2017	Sep 2018
AFCEC Scope & Cost Validation	May 2013	May 2014	May 2015	May 2016	May 2017	May 2018
DI Code 3 or 2	Sep 2012	Sep 2013	Sep 2014	Sep 2015	Sep 2016	Sep 2017
AFCEC DD Form 1391 Certification	Aug 2012	Aug 2013	Aug 2014	Aug 2015	Aug 2016	Aug 2017
PI (Issued by AFCEC)	Sep 2011	Sep 2012	Sep 2013	Sep 2014	Sep 2015	Sep 2016

**KEY**

- BES – Budget Estimate Submission to OSD
- DA/CA – Design Agent/Construction Agent
- DI – Design Instruction (HAF/A7CFC OPR)
- DUSD(IE) – Deputy Under Secretary of Defense (Installations & Environment)
- PI – Planning Instruction (AFCEC OPR)
- PresBud – President’s Budget Submission to Congress
- Code 2 – Concept Design (35%)
- Code 3 – Parametric Design (15%)
- Code 6 – Final Design (100%)
- Code 7 – Design-Build Request for Proposal Preparation

9/20/2013

### **AFCEC DD FORM 1391 CERTIFICATION**

- AFCEC is OPR
  - HAF/A7CF provides FYDP to AFCEC
  - AFCEC coordinates with MAJCOM/Installation to identify projects
  - AFCEC initiates planning instruction
- DD Form 1391 preparation and certification is O&M funded
- Certification is done prior to start of design
- AFCEC will review project documentation
  - Ensure that sufficient technical information is available to commence a concept design or parametric design
  - Confirms that the project scope is in compliance with Air Force standards, criteria, and cost estimating requirements
- AFCEC certifies to HAF/A7CF that the project is ready for design

### **AFCEC SCOPE & COST VALIDATION**

- AFCEC is OPR
- Normally done as part of the design effort
- Based upon results of the concept or parametric design
- Block 9 Cost Estimate of the DD Form 1391 is revised to more accurately describe the scope and cost
- HAF/A7CF includes the revised DD Form 1391 in the Budget Estimate Submission to OSD

### **DA/CA DESIGNED SCOPE CERTIFICATION**

- DUSD(IE) Memo, 24 Jun 13:  
  
“The DoD construction agent for a project must certify to the project sponsor, prior to final design approval, that the final facility design is within the scope of work authorized by Congress and that it provides a complete and useable facility.”
- DA/CA is OPR
- AFCEC is OCR