



**US Army Corps
of Engineers®**



**DEPARTMENT OF THE AIR FORCE MILITARY
CONSTRUCTION EXECUTION**

**ENTERPRISE PROGRAM MANAGEMENT PLAN
(EPgMP)**

30 January 2024

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1. GENERAL.

- 1.1. PURPOSE. The DAF Enterprise Program Management Plan (EPgMP) established management concepts, principles, and procedures for successfully executing USACE Military Mission programs and requirements for the Department of the Air Force (DAF). This Military Construction (MILCON) Program Annex applies to all USAF and USSF MILCON (MCAF), Minor MILCON (MMAF), and Energy Resilience Conservation Investment Program (ERCIP) projects which the US Army Corps of Engineers (USACE) executes per 10 USC 2851 and DoD Directive 4270.5, as the MILCON Construction Agent.

This Annex supplements the HQ USACE approved EPgMP. It supersedes the “HQUSACE and AF/A7CP Program Management Plan” (16/20 Nov 2007), and the “Air Force Center for Engineering and the Environment and US Army Corps of Engineers Air Force Military Construction Program Management Plan” (final signature 19 Dec 2008), and the “Air Force Civil Engineer Center and US Army Corps of Engineers Enterprise Program Management Plan (EPgMP) Military Construction Air Force Annex” (final signature 14 Sep 2015).

1.2. USACE REFERENCES.

- 1.2.1. DoDD 4270.5, Military Construction, 12 February 2005.
- 1.2.2. Memorandum, CEMP-M (CERM-P), Clarification of USACE Policy on Planning and Design (P&D), Construction Supervision and Administration (S&A), and Post-Award Engineering and Design Services (DDC), 26 Mar 2003.
- 1.2.3. HQUSACE and Air Force Reserve (AFR) Component Memorandum of Understanding, 10 Jan 2002.
- 1.2.4. USACE MILCON Project Closeout, Enterprise Business Process.

1.3. AIR FORCE REFERENCES.

- 1.3.1. DoDD 4270.5, Military Construction Responsibilities with Change 1 (31 August 2018)
- 1.3.2. Unified Facilities Criteria (UFC) 1-200-01 DoD Building Code, With Change 2 (12 Jun 2023)
- 1.3.3. Unified Facilities Guide Specification (UFGS) Section 01 31 23 13 20 Electronic Construction and Facility Support Contract Management System (eCMS)
- 1.3.4. DAFI 32-1020 Planning and Programming Built Infrastructure Projects
- 1.3.5. OSD Memo, New Military Construction Budget Estimate Requirements (17 March 2020)
- 1.3.6. OSD Memo, Military Construction Supervision, Inspection, and Overhead Fixed Rates for Fiscal Year 2024 and Future Projects (14 Apr 2022)
- 1.3.7. AFI 32-1023, Designing and Construction Military Construction Projects
- 1.3.8. AFCEC MILCON Change Order Management Plan
- 1.3.9. AFCEC DM/CM Financial Management Guide
- 1.3.10. Memorandum of Understanding – AFSOC MILCON Program (16 Apr 2012)

- 1.3.11. Memorandum (CEMP-ZB) – Adherence to Mission Alignments and Alignment of Acquisitions with Missions (20 May 2013)
- 1.3.12. Business Process Management System (BPMS) B-1.6.11 Red Zone
- 1.3.13. Business Process Management System (BPMS) B-1.6.7 Acceptance Tests
- 1.3.14. Management Plan for the Air Force Capital Construction Program (Oct 2013)

1.4. PROGRAM GOAL. DAF MILCON objectives are to (1) build to standards; (2) use value engineering principles to optimize costs; and (3) deliver facilities in accordance with established schedules. The overall goal for the MILCON program is to safely provide quality facilities that meet user requirements on time, within budget and authorized scope. The metrics (performance indicators) that support this goal are contained in the USACE Command Consolidated Guidance (CCG). Metrics not meeting the program goal will be focus areas for improved performance. The USACE/DAF MILCON team will work together to affect those improvements. The following requirements are instrumental in helping meet the program goals:

- 1.4.1. HQ Air Force (AF/A4CF) will provide USACE a copy of the Future Year Defense Plan (FYDP) annually to help with work force planning and manpower analysis. The FYDP will be furnished within 15 days after submission of the President's MILCON Budget.
- 1.4.2. USACE will receive project authority, funding, and design instructions on time to support program/project execution and meet USACE CCG Metrics.
- 1.4.3. Project Delivery Teams will use value engineering, life cycle costing, and rigid change order control to support the DAF MILCON cost optimization objectives. The PDT is a cross-functional matrixed team that includes all the necessary functional and support personnel with the requisite skills and expertise, from the USACE District, Divisions, Centers of Expertise and/or labs, in order to deliver the project.
- 1.4.4. Installation's expectations will align with appropriate DAF Standards.
- 1.4.5. Environmental documentation and actions will be the responsibility of the DAF installation/MAJCOM/AFCEC and available no later than at the start of design. USACE may be required to provide design information to inform the environmental approval process.
- 1.4.6 USACE may use in-house personnel to design selected projects in order to maintain technical competency and capability for performing DoD Construction Agent responsibilities associated with executing the DAF MILCON program. Annually USACE will propose a list of candidate projects for USACE in-house design generated from the FYDP for MILCON projects to allow advanced planning and workload balancing. Absent of agreement by the PDT on design approach the issue will be discussed between the AFCEC Branch Chief, District DPM and Chief of Engineering, if the concern is regarding

USACE expertise. Should the issue (technical expertise, experience, capacity) remain unresolved, it will be elevated.

1.5. PROGRAM RISK. The DAF has many stakeholders supporting the goal to safely provide quality facilities that meet user requirements on time and within budget/scope. These stakeholders are committed to achieving high standards while meeting requirements for more sustainable, energy efficient and cost effective facilities that meet mission needs. The DAF MILCON team must effectively plan, program, design, and construct cost effective facilities that offer mission-effective return and the most appropriate investment of program dollars. The risk of not doing so places program dollars at risk of recission and creates missed opportunities to include unfunded projects in the program.

2. PROGRAM TEAM.

2.1 MANAGEMENT APPROACH. USACE will work closely with DAF, DUSD(I&E), and other DoD MILCON Stakeholders to achieve expectations for the Air Force and Space Force MILCON program. Collaboration and partnership will characterize the working relationship at all levels. USACE and DAF will coordinate policy changes and process improvements that may impact program execution prior to issuance. USACE Program Management will be in accordance with USACE Project Delivery Business Process, as described in ER-5-1-11. USACE will execute the program through Major Subordinate Commands (MSCs), Centers, Geographic Districts and offices approved to support special initiatives. The Program Team approach is to embrace the goals and objectives stated in this MILCON Annex, establish a collaborative knowledge-sharing environment, and capture/apply lessons learned to the MILCON execution process. AFCEC will participate in USACE hosted After Action Reviews (AARs)/Project Management Reviews (PMRs) to discuss lessons learned from all projects to include DAF executed programs.

2.2. ROLES AND RESPONSIBILITIES.

2.2.1. USACE will serve as a designated DoD Construction Agent for MILCON per DoD 4270.5. The DAF may assume, consistent with the requirements of DoD4270.5, design and construction responsibility for selected projects not to exceed five percent of the dollar value of each year's USAF and USSF MILCON program assigned to USACE. When exercising this agreement, the AF will assume complete design and construction agent responsibility for execution of the project. Specific projects will be identified by AFCEC and requested in writing prior to design release. A memorandum requesting alternate agent will be sent to HQUSACE, Programs Integration Division, ATTN: CEMP-ID. HQUSACE will coordinate with the appropriate Programs Director or MSC Integration Division (MID) Chief to get their concurrence/non-concurrence on the request via email and will respond to the Air Force in writing. Upon any non-concurrence, AFCEC/CF may route a request through AF/A4CF to DUSD(I&E) (OUSD (A&S) for permission to use an alternate agent, in accordance with DoDD 4270.5, paragraph 4.3.3.2.

HQUSACE will provide a liaison office (LNO) to reside at AFCEC. The LNO will be USACE's onsite representative to facilitate issue resolution between USACE activities and AFCEC PMs. The LNO will not be a substitute for AFCEC and HQUSACE communications. The LNO will not have authority to act on behalf of HQUSACE without prior approval received by HQUSACE. The primary role of the LNO is to facilitate timely resolution of issues through identification and communication. USACE is the design and construction agent (DA/CA) responsible for technical execution handled by various staff members (Project Manager, Construction Manager, and Design Manager).

- 2.2.2. HEADQUARTERS AIR FORCE. Headquarters United States Air Force, Deputy Chief of Staff/Logistics, Engineering & Force Protection, Directorate of Civil Engineers, Facility Management Division (HQ USAF/A4CF) is responsible for oversight of the DAF MILCON program. HQ USAF/A4CF provides policy, resource advocacy, and financial management for execution of the DAF MILCON program. This includes planning, programming, and budgeting for DAF Facilities.
- 2.2.3. AIR FORCE CIVIL ENGINEER CENTER (AFCEC). AFCEC is responsible for DAF MILCON program management. The DAF design and construction manager (AFCEC DM/CM) is the AF lead providing functional/technical criteria, authority, funding, and financial management. The Facility Engineering Directorate (AFCEC/CF) manages the program and is responsible for program execution. The AFCEC DM/CM is a principal of the Project Delivery Team (PDT), provides overall DAF direction and guidance to the district PM, is the DAF owner's representative for the project and ensures coordination and compliance from all DAF stakeholders. The AFCEC PM facilitates real property transfer between the installation and USACE by ensuring the interim DD Form 1354 is signed by the Base Civil Engineer (BCE) on the beneficial occupancy date and the final DD Form 1354 is signed by the Real Property Officer and BCE at project completion.
- 2.2.4. AIR FORCE INSTALLATION & MISSION SUPPORT CENTER DETACHMENTS 1, 2 and 4. AFIMSC/Det 1 manages the Spaceport of the Future MILCON program and, with AFCEC/CF support, is responsible for program execution in this area. AFIMSC/Det 2 and Det 4 manage the PACAF and USAFE MILCON program and is responsible for program execution in their areas. The AFIMSC/Det 2 or Det 4 DM/CM is a principal of the Project Delivery Team (PDT), provides overall Air Force direction and guidance to the district PM, is the Air Force owner's representative for the project, and ensures coordination and compliance from all Air Force stakeholders. The AFIMSC/Det 2 or Det 4 PM facilitates real property transfer between the installation and USACE by ensuring the interim DD Form 1354 is signed by the BCE on the beneficial occupancy date and the final DD Form 1354 is signed by the Real Property Officer and BCE at project completion.

Note: The term "AFCEC project manager" throughout this EPgMP included PMs assigned to AFIMSC/Det 2 and Det 4 PMs.

2.2.5. AIR FORCE MAJOR COMMANDS (MAJCOMs). MAJCOM liaison personnel may assist in resolving issues during project design and user requested changes during construction. MAJCOMs are responsible for planning for New Mission beddown requirements and prioritization of existing mission MILCON requirements. The MAJCOMs are also responsible for completing project environmental certifications to include explosive Quantity-Distance waivers, Environmental Impact Analysis Process, wetlands, floodplain, and Air Installation Compatibility Use Zone requirements. MAJCOMs shall act in advisory role to AFCEC, as necessary, for USACE interactions.

3. PROGRAM MANAGEMENT.

3.1. COMMUNICATIONS. The following meetings and reports are key communication components in the program management process.

3.1.1. PROJECT MANAGEMENT PLAN (PMP). To meet mission objectives, each project is managed under a project management plan (PMP). A PMP is a roadmap for quality project delivery. The PDT prepares the PMP early in the project scoping process to determine project expectations, customer needs and to refine those requirements in light of safety, fiscal schedule, legal, and other constraints. The PDT will measure its success against the expectations documented in the PMP and will be signed by all PDT members to document their commitment to project success. To be an effective management and communications tool, the plan must be a living document that is updated as conditions change. The USACE PM will inform PDT members when change requests will cause scope, schedule, or cost impacts, and will coordinate any changes to the project with members of the PDT, updating the PMP as appropriate.

3.1.2. LINE ITEM REVIEWS (LIRs). AFCEC/HQUSACE will coordinate monthly Leadership, Execution, Awards, and Partnership (LEAP) meetings with the PM and USACE MSCs/Districts. At these reviews, the USACE District PM will present the progress of each project in his/her respective area with focus on execution and major design/construction milestones. Both project-specific and program-wide issues may be addressed. Construction issues will be elevated to HQUSACE and National Program Proponents for inclusion into the monthly meeting. (Reference PID Memo dated 7 Jun 2013).

3.1.3. DESIGN AND CONSTRUCTION GOALS AND PERFORMANCE MEASURES. USACE will track and report project-specific goals and performance measures using metrics established by USACE Consolidated Command Guidance. The PMP will address specific timeframes and required items (Design Fact Sheets/RMS, Current Working Estimate, P2 Report, etc.).

USACE and DAF agree to provide value to both. The strategy is to develop a singular reporting method that sufficiently covers all stakeholder requirements (DAF, USACE, OSD).

- 3.1.4. ANNUAL AFCEC DESIGN & CONSTRUCTION PARTNERING SYMPOSIUM. AFCEC will invite AF/A4CF, AF Installation & Mission Support Center (AFIMSC) senior leaders, USSF, MAJCOM, USACE, and NAVFAC representatives to conduct an annual Design and Construction Partnering Symposium. The purpose of the Symposium is to share upcoming Air Force programs, policy and execution initiatives, and lessons learned.
- 3.2. SCOPE MANAGEMENT. The DAF DM/CM with appropriate DAF counsel input, is responsible for the scope in the DD Form 1391 not being exceeded and for approving all scope decreases from the approved DD Form 1391. The Design Instruction issued by AFCEC to HQUSACE will identify the project scope as described in the project's approved DD Form 1391. As the DoD-designated construction agent, USACE must certify that the final facility design is within scope of work authorized by Congress and that it provides for a complete and usable facility. (Ref OUSD memorandum dated 29 Jun 2018, Subject: Updated Guidance for Authorized Scope of Work Changes for Military Construction Projects) and HQUSACE ECB. All scope changes will be routed for AFCEC/CF approval by the Air Force DM/CM PM per DAF requirements and AFCEC's MILCON Change Order Management Plan.
- 3.3. SCHEDULE MANAGEMENT. Project schedules will be developed to achieve HQUSACE and HQUSAF/AFCEC execution goals to include the DAF admissibility requirement date of 1 Jan FY-2 for 35% design complete, and Design/Construction Agent Cost Assessment by 1 May FY-2. All stakeholders will work effectively at maintaining scheduled delivery dates and Beneficial Occupancy Dates as identified by the PDT. Reporting thresholds and schedules will be established in each PMP. All military construction DAir Force projects being considered for inclusion in the annual MILCON BES shall have design maturity to support an AACE estimate Class 3 (DBB) or 4 (DB) on 1 May FY-2.
- 3.4. RISK MANAGEMENT. The Project Definition Rating Index (PDRI) assessments (using the PDRI checklist) will be conducted by the PDT at the advanced planning stage of the project. High Visibility Mega-Projects will adhere to HQUSACE guidance (reference ECB dated 31 January 2014, Additional Engineering and Construction Management Controls for USACE Mega-Projects).
- 3.5. ACQUISITION MANAGEMENT. The PDT will develop the acquisition strategy that best meets the requirements for delivering each project. This is accomplished during development and approval of the project management plan. For OCONUS locations, the OCONUS Geographic District will coordinate design and construction requirements with the AFIMSC/Det 2 or Det 4 PM and develop the best strategy to execute the project and meet Host Nation Agreement requirements. Proposed changes to an approved acquisition strategy will be fully coordinated with the PDT prior to implementation. AFCEC will be invited to provide representation to technical and source selection boards as voting members. Evaluation criteria for contractor

selections will be developed by the PDT consistent with the Army Source Selection Supplement (AS3) to the Department of Defense Source Selection Procedures.

3.6. MANAGEMENT INFORMATION SYSTEMS. The following systems will be used to compile, display and report Air Force and Space Force MILCON projects.

3.6.1. NEXGEN-IT. NexGen-IT provides an integrated, worldwide network for transfer of AF design and construction management information. The systems utilize distributive processing, with information entered at local desktop computers to generate daily updated project data for worldwide availability. The AF will be responsible for entering information into NexGen-IT during the design and construction phases.

AFCEC and USACE will work toward the most efficient methods for data sharing between staff and project management information systems and will permit read access to service-specific project management systems.

3.6.2. NEXGEN-IT AND PM/P2 INTERFACE. NEXGEN-IT currently does not send specific project and DD Form 1391 information to a table (data file) called "Directives" within that system for MILCON projects however, it will in the future. The business process requires AF/A4CF to issue the initial DI and for the Design Agent (DA) or Construction Agent (CA) to be the "COE" before the project will be sent to the P2 system. USACE will provide project update information to AFCEC PMs consistent with NEXGEN-IT database requirements via the monthly LEAP Report.

3.6.3. PROJECT REPORTING. During Design, USACE will provide Current Working Estimates and design fact sheets at a frequency not to exceed that of scheduled major design submittals, 35% and beyond. During construction USACE will provide project information and status via the report formats established between HQUSACE and AFCEC. USACE construction reports should be sent to the PMs on a monthly basis.

4. PROGRAM GOVERNANCE. Program Governance describes the process that will be followed to execute the program's governance activities, directives, and issue resolutions.

4.1. AUTHORIZATION AND APPROPRIATIONS. All military construction projects must be authorized for a specific amount by law, either a general enabling provision, or by a line-item project authorization in an annual National Defense Authorization Act. Authorizations expire after three years unless funds for the project are obligated, or an authorization extension has been approved by law. Appropriations (unexpired) provide legal authority permitting Federal agencies to incur obligations and make payments for a specified purpose and period of time. Expired appropriations are available for adjustment to, or payment of existing obligations. Appropriation accounts are closed (cancelled) after being in the expired status for five years.

4.2. COST AND SCOPE VARIATION. Design and construction of a MILCON project cannot exceed the scope on the project DD Form 1391 submitted in the justification data provided to Congress

with the President's Budget without Secretary approval. For Congressionally authorized Military construction projects, the Secretary concerned has the authority to increase the scope up to 10% of the scope shown on the DD Form 1391 approved by Congress. Once a project is approved by Congress, design reviews and value engineering studies will be reviewed by AFCEC and USACE to help ensure that the project scope conforms to that of the DD Form 1391 and tabulated on the Scope Tab of HQUSACE project CWE calculation workbook.

4.2.1. COST VARIATIONS 10 USC 2853(a) AND SCOPE REDUCTIONS 10 USC 2853(b). The law permits the Secretary concerned to approve scope increases of 10% or less with notification to Congress (14 days). Scope increases greater than 10% require this to be submitted for approval in the NDAA during the budget cycle (Division B).

4.2.1.1. The cost authorized for a military construction project or for the construction, improvement, and acquisition of a military family housing project may be increased or decreased by not more than 25% of the amount authorized for such project or 200 percent of the minor construction project ceiling, whichever is less, if the Secretary concerned determines that such revised cost is required for the sole purpose of meeting unusual variations in cost and that such variations in cost could not have reasonably been anticipated at the time the project was approved originally by Congress

4.2.1.2. For a cost increase greater than 25% of the amount authorized or 200 percent of the minor construction project ceiling, whichever is less, the Deputy Assistant Secretary of the Air Force must approve and notify Congress followed by a 14 day wait period before proceeding.

4.2.1.3. For a cost decrease of more than 25% of the amount authorized or 200 percent of the minor construction project ceiling, whichever is less, the Deputy Assistant Secretary of the Air Force must approve and notify Congress not later than 14 days after contract award.

4.2.1.4. In the case of a reduction in scope of work of more than 25%, the Deputy Assistant Secretary of the Air Force must approve and notify Congress followed by a 14 day wait period before proceeding.

In the cases above, the description of the changes and justification will be prepared by the District Project Manager and submitted through the MSC to HQUSACE and AFCEC. All such submissions must include a revised current working estimate, favorable bid climate justification and bid expiration date. After review, AFCEC will submit documentation to AF/A4CF as appropriate.

4.2.2. ABOVE THRESHOLD REPROGRAMMING. In addition to the approval thresholds found in 10 USC 2853, the congressional appropriation committees must approve, in writing, any reprogramming of funds to a project in excess of the reprogramming threshold as required under an annually recurring provision in Military Construction and Veterans

Affairs and Related Agencies Appropriations Acts, which incorporates by reference the requirement of the Department of Defense Financial Management Regulation 7000.14-R, Volume 3, Chapter 7 (see e.g., Pub. L. 117-328, Div. J, Title I, sec. 122 (2022)).

Per these recurring provisions, the reprogramming criteria applicable to a MILCON project is 25% of the funded amount or \$6M, whichever is less. Reprogrammings are processed from AFCEC through AF/A4CF (with a copy furnished to HQUSACE NPM) to the Office of the Under Secretary of Defense (Comptroller) which submits the report to Congress for written approval by the House & Senate Appropriations Committees. [Note: Depending on the values of the PA and CWE, the following conditions are possible: (1) both a reprogramming and 10 USC 2853 notification are required, (2) only a reprogramming is required, or (3) only a 10 USC 2853 notification is required.

Reprogramming must be approved (in writing) by the Congressional appropriations committees of both the House and the Senate. Funds cannot be obligated until the Congressional approval is complete.

AF/A4CF is responsible to finalize and submit all notifications and reprogramming requests.

4.3. DESIGN.

4.3.1. DESIGN INSTRUCTIONS (DIs). AFCEC will issue Design and Construction Instructions to HQUSACE for all phases of the project. AFCEC instructions will include authorization for USACE to design the project and will include specific information including, but not limited to: Programmed Amount (PA), Construction Cost Limitation (CCL), Scope, DD Form 1391, User Need Date, Requirements Document, site approval, environmental certifications, a submittal distribution schedule, and applicable USACE Authorized Phase Code (See Appendix 1). AFCEC will preposition planning and design (P&D) funds at HQUSACE which will be authorized on each project as required. Authority to use the design funds will be included with the DI to fund the authorized level of design. For President's Budget projects, the target is to issue DIs (Code 6/7) and P&D funds not later than 36 months prior to beginning of execution year. For Congressional Insert (CI) or other "late add" projects, the target is to issue DIs within 30 days following three positive Congressional MILCON Subcommittee marks.

4.3.2. AIR FORCE TECHNICAL DIRECTIVES. USACE will comply with all DAF approved Standard Designs, Engineering Technical Letters (ETLs) and design criteria in the design and construction of DAF facilities. AFCEC shall provide clear written guidance via Design Instructions of the applicability of Standard Designs, ETLs, and/or design criteria issued to include the process to assess funding impact and request additional funds.

Projects will also comply with the approved DD Form 1391, AFI 32-1023 (Reference 1.4g), DAF design standards/criteria, and the respective installation/base standards/criteria. AFCEC is responsible for providing written confirmation of any policy waivers to AFI 32-1023 to HQUSACE for dissemination to USACE offices. USACE will not waive DAF criteria without written AFCEC approval. The PDT cannot deviate from DAF standards and criteria without written request to AFCEC for approval. DAF criteria may not be deviated from without AFCEC/CF or the appropriate authority having jurisdiction's written approval. USACE must obtain AFCEC coordination prior to submittal of any UFC waiver or exception requests to the authority having jurisdiction. USACE must afford AFCEC the opportunity to lead coordination of any waiver or exception requests where AFCEC is the authority having jurisdiction. USACE must notify AFCEC of any waiver or exception request disapproval.

The DAF may, with HQUSACE approval, request to employ another District to develop an Enterprise-wide solution for a specific application that will be executed through the responsible District.

- 4.3.3. DESIGN REVIEWS. USACE will provide AFCEC/CF a proposed design schedule identifying timing of design deliverables, with the scope of each successive deliverable consistent with UFC standards for applicable facility design within 1 month of issuing the DI. As a member of the PDT, AFCEC may perform technical, cost, and schedule quality assurance review to key project design and construction deliverables and provide comment and direction to the PDT. All PDT review comments will be resolved during the phase in which they are identified.
- 4.3.4. TECHNICAL COVERAGE OF DESIGN PERFORMED. The PDT will ensure adequate technical coverage of all project requirements for design.
- 4.3.5. 10 USC 2807. 10 USC 2807 requires Congressional notification in the case of architectural and engineering services and construction design for which the estimated cost exceed \$1M. AF/A4CF will work with OSD to notify the appropriate committees of Congress of the scope of the proposed project and the estimated cost. AFCEC will notify HQUSACE when Congressional Notification period has started and completed. Funds may be obligated after the end of the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium.
- 4.3.6. OCONUS DISTRICTS. OCONUS Districts will comply with the annually recurring provision in Military Construction and Veterans Affairs and Related Agencies Appropriations Acts related to architect and engineer contracts exceeding \$500,000 for projects in specified OCONUS locations (see e.g., Pub.L. 117-328, Div. J, Title I, sec.111 (2022) ("None of the funds made available in this title may be obligated for architect and engineer contracts estimated by the Government to exceed \$500,000 for projects to be accomplished in

Japan, in any North Atlantic Treaty Organization member country, or in countries bordering the Arabian Gulf, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.”) This provision is an annual appropriations restriction, but it has been recurring in the annual appropriations acts for the last few years. Care should be taken to check the applicable appropriations acts for analogous restrictions.

4.3.7. EARLY AGENT INVOLVEMENT. USACE will support DAF efforts for early agent involvement. Annually, the DAF will select projects to refine the project cost and scope prior to issuance of a Design Instruction. The outcome of the charrette will be a fully developed planning document to include full scope development and captured on a DD Form 1391, DD Form 1391c, D3, and charrette report. The DAF has termed this effort as a Planning Charrette with the output being a Planning Charrette Report II (PCR-II). PCR-I is the effort conducted by the base earlier in the process. Since PCR-I and II are early in the overall execution process, they are funded with DAF Operations & Maintenance (O&M) instead of P&D funds.

4.3.8. DESIGN AUTHORIZATION, INITIAL DESIGN. AFCEC will authorize initial design to HQUSACE NPM per Authorized Phase Code in Appendix 1, and will include specific information such as Project Number, Installation, Project Title, Programmed Amount (PA), Scope, level of design authorized, DD Form 1391, proposed schedule with user-need date and design “seed” funds. In the future, HQUSACE will issue a corresponding DIRNET directive and FAD to the district. The district PM will develop a preliminary design budget and schedule by month broken out by AE and IH to execute the full design up to construction contract award. The district will forward this design budget through the MSC to NPM at HQUSACE. After review, HQUSACE will submit the design budget to AFCEC. The AFCEC PM will submit the P&D funding request to AFIMSC MILCON Financial Management, AFIMSC/FMAG. AFIMSC/FMAG will send an authorization to HQUSACE NPM. The district PM will request P&D funding in accordance with the approved plan and authorized level of design. Project P&D obligation rate must be at approximately 85% for HQUSACE to issue funds. All P&D funding will be issued by HQUSACE RM via FAD to the district with courtesy copies to AFCEC via email.

The USACE PM will coordinate and schedule a design charrette for the 15% design, scope validation, and parametric cost estimate. During the design charrette, the USACE PM will work with the AFCEC PM and AE to develop functional layouts IAW the Air Force standards and criteria. The AFCEC PM provides Air Force oversight and review of the functional layouts at appropriate times during the charrette. A key result upon conclusion of the charrette is the approval of preliminary design and functional concepts.

- 4.3.9. DESIGN AUTHORIZATION, FINAL DESIGN. The AFCEC PM will issue a Code 6 or Code 7 Design Instruction and corresponding P&D to HQUSACE NPM to complete final design. HQUSACE will issue a DIRNET directive to the MSC and include specific requirements from the AFCEC DI. The AFCEC PM is the authority to approve preceding to the next submittal within each phase of the approved directive and will issue the approval directly to the NPM.
- 4.3.10. AUTHORITY TO ADVERTISE. The USACE PM will request Authority to Advertise (Code AO through the MSC to NPM using the standard Current Working Estimate (CWE) after all comments have been resolved by the PDT. The Code A CWE will display a basic contract and project CWE within the project approved Program Amount (PA). The Code A request should also include verification that the site is approved, clear of all environmental concerns and UXO and that NEPA analysis is complete. If the estimate exceeds the PA, options will be included when permitted. The USACE PM will ensure that any options have been coordinated with the AFCEC PM and approved by AFCEC before the Code A CWE is initially submitted to the MSC for review. The USACE PM will submit the Code A CWE to their MSC for review and concurrence. After MSC concurrence, the MSC will forward a copy to HQUSACE NPM. The NPM will request authority to advertise from the AFCEC PM. A Code A USACE directive will be issued to the NPM to advertise once a Code A Design Instruction is received from AFCEC. Advance Authority to Advertise may be provided by AFCEC upon three positive Congressional committee marks and no unusual circumstances that would preclude advertising. USACE will comply with AFARS 5132.702 when advertising in advance of appropriations. USACE will provide the AFCEC PM the opportunity to participate as a selection board member during source selection.
- 4.3.11. AWARD. The USACE PM will develop an award CWE and coordinate any options (if required) with the AFCEC PM that may be awarded along with the basic contract. The USACE PM will submit that award CWE to their MSC for review and concurrence. After MSC concurrence, the MSC will forward a copy to HQUSACE NPM. The NPM will request authority to award from the AFCEC PM. If a Congressional Notification is required, the USACE NPM will advise the DAF of this requirement in their request for authority to award. Upon AFCEC review and approval of the award CWE, AFCEC will send authority to award and funds request to AF/A4CF. Once AF/A4CF issues approval, AFIMSC/FMAG will request release of award funding from SAF/FMBIC. SAF/FMBIC then releases a funding document to HQUSACE RM USACE Finance Center. The AFCEC PM will issue the authority to award design instruction to HQUSACE NPM. A Code 9 USACE directive will be issued to the district once a Design Instruction is received from AFCEC. The CWE will report contingency in agreement with the approved DD Form 1391, typically 5%. The district office will be provided 2% and 3% will remain undistributed at HQUSACE. The CWE will also include a Design During Construction (DDC) funding requirement. AFCEC should anticipate that DDC is a project requirement and plan to fund this activity

accordingly. The DDC requirement is estimated and later refined as design progresses as actual project requirements for DDC are known. The CWE estimate reflects actual project requirements that may differ from prior budget estimates. The PDT will develop DDC requirements and provide an itemized list of such when requesting funding. Exceptions to DDC or contingency funding as described above will be handled on a case-by-case basis. HQUSACE RM will issue a construction FAD to the district upon request from NPM. Funds for base-performed work are on the CWE but will be sent directly to the base by the Air Force.

4.4. CONSTRUCTION. The Geographic District is responsible for overall construction and financial management of construction funds at the district. The Geographic District will continue close teamwork with the AFCEC PM to coordinate items such as contract changes, funding, quality assurance, furniture, fixtures, equipment, program reviews/meetings, red zone activities, beneficial occupancy, turnover and other construction and functional items that arise during construction. Upon depletion of the district contingency, the USACE PM will submit an updated CWE with all pending modifications to their MSC for review and concurrence. After MSC concurrence, the MSC will forward a copy to HQUSACE NPM and the NPM will provide additional funding or request funding from AFCEC/CF.

4.4.1. CHANGE MANAGEMENT. The Change Management process includes an assessment of both schedule and cost impacts to project construction. The process and procedures for Change Management will be specifically addressed in each project's PMP and follow the AFCEC Change Order Management Plan (reference 1.4.8). The USACE Geographic District PM will maintain a change order log and make this available monthly or as requested to the AFCEC PM.

4.4.1.1. MANDATORY CHANGES. Unavoidable changes required to allow construction to continue and provide a complete and usable real property facility. Such changes are caused by unforeseen factors discovered during design or construction, e.g., design errors and omissions, mandatory criteria changes, construction 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 operations, maintenance, function, or appearance. The classification of a change as "mandatory" is a USACE contract responsibility, but must be done in coordination with the AFCEC PM.

4.4.1.2. NON-MANDATORY (DISCRETIONARY) CHANGES. This includes any criteria changes that are not mandatory for ongoing projects, changes that would improve the efficiency, maintainability, functionality, or appearance of the facility, and re-siting a project during design or construction. All discretionary changes must be approved in accordance with the process in the AFCEC Change Order Management Plan.

- 4.4.2. RED ZONE MEETING (RZM). A RZM will be convened for the purpose of facilitating physical and fiscal completion of the project. Details for the RZM will be addressed in the PMP.
- 4.4.3. COMPLETION AND FACILITY TURNOVER. Project completion and transfer will be a planned and coordinated process among the AFCEC PM, installation, and the PDT led by the Geographic District PM. The process will include joint inspections and review of facility commissioning documentation.
- 4.4.3.1. INSPECTIONS. Prior to final acceptance of the facility, pre-final inspections will be conducted on an area-by-area basis or on a functional basis. The purpose of these inspections is to ensure turnover of a complete, functional, and maintainable facility constructed fully in accordance with the contract specifications and drawings as identified in the contract drawings. Inspection teams will include representatives from the USACE Area Engineer/Resident Engineer (AE/RE) office, USACE PM, AFCEC PM, the installation/base, independent commissioning agent, and others as appropriate. Major construction deficiencies identified during these inspections will be corrected by the contractor before a final inspection is scheduled.

A final inspection with the above listed participants will be conducted when the AE/RE determines that the major deficiencies have been corrected. Upon acceptance, the installation/base will assume responsibility for the operation and maintenance of the facility.

- 4.4.3.2. DOCUMENTATION AND TRAINING. The USACE AE/RE is responsible for ensuring that the following documentation at a minimum is available at the facility turnover and hand receipted to the proper installation responsible individual:

1. Construction waste characterization and disposal data
2. Medical gas certification
3. HVAC balancing reports
4. Fire protection system test reports
5. Grounding system test reports
6. Operating and maintenance manuals
7. Preliminary as-built drawings
8. Installed equipment listing
9. Spare parts
10. Interim DD Form 1354
11. Warranty procedures

- 12. Keys for the facility
- 13. All items will be hand receipted to the BCE

The USACE AE/RE is responsible for coordinating required contractor provided training with the AFCEC PM and the installation. At least ten working days' notice will be given for all required training. The installation and AFCEC PM are responsible for ensuring that the correct individuals attend the training sessions. Concurrent notification will be given to the local proponent representative.

- 4.4.3.3. AS-BUILT DRAWINGS. Completed as-built drawings , one paper copy and the entire electronic drawing and Building Information Model files via share site, will be provided to the BCE within 120 days of turnover.
- 4.4.3.4. PROJECT TURNOVER. The Beneficial Occupancy Date (BOD) signifies official turnover of a project from USACE to DAF. At BOD, an interim DD Form 1354 will be provided to the designated BCE staff for the BCE's signature. It may include punch list items which are minor construction items which can be easily resolved/completed without impacting user acceptance of real property. The final DD Form 1354 will be provided to the installation representative and the AFCEC PM, as applicable when the project's final costs are known, i.e., the project punch list items have been completed, release of claims occurs, and final payment is made to the construction contractor. The RPAO must sign the final DD Form 1354 prior to the keys being handed over. This constitutes physical delivery of the project and marks the actual Beneficial Occupancy Date (BOD) for the project. Upon physical completion of the project, the PDT, including the AFCEC PM, provides input to the closeout performance evaluation for the contractor. The district returns all unobligated funds to HQUSACE for transmittal to HQ USAF pending the fiscal closeout. The District PM notifies the AFCEC PM of the funds revocation action.
- 4.4.4. FINANCIAL (FISCAL) COMPLETION. Upon Financial Completion of the construction, the district transfers the final DD Form 1354 to the BCE and removes the project from the district Construction-in-Progress (CIP) Account. These actions should be completed within 18 months (24 months for OCONUS projects) of Construction Completion (Beneficial Occupancy date). A final project CWE shall be provided by the district PM to the AFCEC PM indicating how the costs were allocated in order to update the NexGen-IT project cost data.
- 4.4.5. WARRANTY. Warranty inspections will be done in accordance with the closeout process. Warranty management is addressed in the project specific PMP and discussed at various meetings such as the pre-construction conference, RZMs, and pre-warranty conference.

Appropriate PDT members participate in the four and nine month warranty walk-through.

- 4.5. ISSUES RESOLUTION. Resolution of project issues will occur at the lowest possible management level. If resolution cannot be achieved at the PDT level, the USACE and AFCEC PMs will elevate the issue to the Military Programs Branch Chief and the AFCEC Branch Chief for resolution. Any issues requiring further resolution will be elevated to the District MSC Commander and AFCEC Director of Facility Engineering to HQUSACE and AFCEC Director. All issues will be resolved prior to construction contract award.
5. FINANCIAL MANAGEMENT. The USACE PM is responsible for timely requests for design and construction funds. The USACE PM will send all funding requests through the MSC to HQUSACE NPM.
 - 5.1. TRANSFER OF FUNDS. DAF planning and Design (P&D) funds and construction funds are released by SAF/FMBIC to HQUSACE RM/USACE Finance Center for design, contract award, contract increases, and other purposes specified in congressional authorization and appropriation bills. HQUSACE in turn will send funding to the districts via Funding Authorization Document (FAD). USACE will provide monthly financial reports to AF/A4CF and AFIMSC/FMAG.
 - 5.2. DESIGN BUDGET. Potential design cost overruns will be identified as early as possible to allow time to take action to mitigate impacts. Any excess design funds remaining after construction award will be returned to HQUSACE within 30 days of the construction contract award. AFIMSC/FMAG will be notified by copy of FAD that funds are available for withdrawal.
 - 5.3. CONSTRUCTION COST LIMITATION (CCL). The construction cost limit is the DD Form 1391 Estimated Cost Construction sub-total. The USACE PM will develop a funding strategy early in design, including identification of potential options or additive bid items to ensure an awardable project. This will be accomplished in collaboration with the AFCEC PM.
 - 5.4. CURRENT WORKING ESTIMATE (CWE). HQUSACE and HQUSAF/AFCEC require the districts to use the MILCON CWE spreadsheet to request DAF construction funds. The award CWE will include the contract award amount, optional bid items, 2% district contingency, 3% management reserve, the applicable flat Supervision and Administration (S&A) rate, and other miscellaneous items within the scope of the project authority. The miscellaneous items may include cost for as-built drawings, Design During Construction (DDC) funds, base-performed work items, and separately funded equipment or telecommunications requirements. Part of the design during construction costs identified by the district is for the district reviews of D-B designs and Center of Expertise (CX) reviews when a CX is involved. These design review funds are required as part of this plan. DDC funds are approved by the AFCEC PM in accordance with policy.

5.5. CONTRACTOR CLAIMS. USACE is responsible for management of all claims in a timely and cost effective manner. USACE will notify the AFCEC PM of all potential claims upon discovery. If the USACE Office of Counsel expressly requests assistance from the AFCEC PM, the AFCEC PM may seek the legal opinion of the AFIMSC/JA to aid the USACE Office of Counsel. AFIMSC/RM and Contracting (772 ESS) also shall be engaged to support as required.

AFCEC will provide funds to pay claims, including S&A, when claims are determined to have merit. In order to expedite payment of settlements, and to potentially make use of expired funds, AFCEC will look for appropriate funds before USACE requests a consent judgement to access the Judgment Fund. When the Judgment Fund is utilized to pay for a final judgment under the Contract Disputes Act, then AFCEC will provide funds to USACE to reimburse the Judgment Fund and pay for USACE S&A.

5.6. FUNDS REVOCATION. Project/Program Managers will adhere to effective and efficient management practices and obligate funds prior to their expiration. Excess funds remaining from projects will be identified by the district and except for those funds needed to resolve REAs and Claims will be revoked promptly by HQUSACE. HQUSACE will notify AFCEC/CF and AFIMSC/FMAG that funds are available for withdrawal via copy of FAD.

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APPENDIX 1

Authorized Phase Codes

Design instructions authorize various stages of project design, indicate project scope and cost, and provide special instructions for the design of the project. The design execution process is managed, in part, by using design codes.

USACE issues authorized phase codes to their divisions and districts through the directive network (DIRNET) system within the PAX processor.

Design codes are defined as follows:

Code	Description
0	A centrally funded planning charrette. Using O&M funds is authorized.
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.
2	Preparation of concept design is authorized. Award of a design contract is authorized, if appropriate. Approved concept design is considered to be 35% of the total design effort.
3	Preparation of parametric design is authorized. Award of a design contract is authorized, if appropriate. Approved parametric design is considered to be 15% of the total design effort.
4	The project design is on hold, pending a supplemental design directive.
5	The project is deferred from the program. Do not start design. If design of the project by USACE district in-house personnel has begun, it will be terminated. If design is being accomplished by A/E contract, it will be concluded at the direction of AFCEC and HQUSACE.
6	The project is authorized for final 100% design.
7	Preparation of a request for proposal (RFP) for a design-build project is authorized. Award of a 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.
T	The project is authorized to proceed to 100% design using the Adapt-Build acquisition strategy.
8	The project is cancelled.
A	The project is authorized to be advertised, but not awarded
9	A DBB construction contract (or design-build contract) is authorized for award.

APPENDIX 2

Sample: Typical Planning Instruction (PI)

Date

MEMORANDUM FOR [Applicable Agent]

FROM: AFCEC/CFXX

For Packages, Drawings, UPS/FEDEX use:
3515 S. General McMullen, Building 1
San Antonio, TX 78226-2018

For Routine Correspondence/letters use:
2261 Hughes Avenue, Ste 155
JBSA-Lackland, TX 78236-9853

SUBJECT: Planning Instruction (PI) #1, FYXX Project Number-Project Name, Project Location

This Planning Instruction authorizes [Agent Name] to proceed with development of a Planning Charrette Report (PCR) for the subject project as described below:

Base	Installation
Fiscal Year	20XX
Project Number	AF Project #
Title	Project Name
Cat Code	XX

[PM Name] will serve as the Air Force Project Manager (PM) for this project and is the Air Force lead regarding all development actions and resolution of project issues. He/She will be responsible to implement a project schedule that will achieve validation of project scope and cost in order to affect the Using MAJCOM's MILCON submission to Air Staff, which typically occurs NLT Jan FY-2.

We request that the [Agent Name] prepare a statement of work needed to negotiate a PCR effort. Within 30 days of receipt of this PI, please provide a fee estimate and execution schedule. The agent will use a product that clearly describes total costs to include both Procurement Fees and In-House agent costs. O&M funds will be provided upon approval of the cost estimate.

We also request a Project Scoping and Planning Charrette and Cost Validation meeting be held at [Installation Name] the week of [Date]. The planning effort will include the planning charrette meeting, development/review/update of the project PCR, developing a parametric project cost validation estimate, and an initial Project Definition Rating Index (PDRI) assessment. The development of the initial LEED Silver checklist/plan and HPSB compliance is also required. In addition, provide an option cost to conduct the Geotech investigations and reports for the site. A PCR template is provided for use in developing this product.

The primary purpose of this PCR Planning Instruction is to ensure the FYXX Air Force MILCON program contains accurate scope and costs for each project. As soon as we verify this project is supported in the FYXX MILCON program, we will initiate a DI to 15% DB RFP/Traditional Design development. If you have any questions or comments regarding this DI, please contact [PM Name] at DSN 969-#### or commercial (210) 935-####, or email at first.last@us.af.mil. Thank you in advance for your efforts in support of this project.

BRANCH CHIEF
Title

cc:

ABW/CE/CEP

HQ XXXX/XX (MAJCOM POC Name)

AGENT/XXX (Agent POC Name)

AF/A4CF (Air Staff POC Name)

AFIMSC/FMAG (FMAG POC Name)

Attachments:

1. AF Form DD1391
2. Planning Charrette Report Template

APPENDIX 3

Sample: Typical 15% Design Instruction

Date

MEMORANDUM FOR [Applicable Agent]

FROM: AFCEC/CFXX

For Packages, Drawings, UPS/FEDEX use:
3515 S. General McMullen, Building 1
San Antonio, TX 78226-2018

For Routine Correspondence/letters use:
2261 Hughes Avenue, Ste 155
JBSA-Lackland, TX 78236-9853

SUBJECT: Design Instruction (DI) #X, FYXX President's Budget Project Number-Project Name,
Project Location

Note: Select the applicable statement (1) "The subject project has been authorized and appropriated in the 20** National Defense Authorization Act (NDAA). This is a high priority requirement and there is a high probability that the requiring activity will not cancel the requirement. Sufficient funds will be made available prior to any contract award. This Authority to Advertise is not a commitment of funds." or (2) "P&D is available for a A/E contract for subject project."

This Design Instruction authorizes the design process to develop a 15% Design, Code 3, for the subject project below:

Base	Installation
Fiscal Year	20XX
Project Number	AF Project #
Title	Project Name
Programmed Amount	\$
Cat Code	XX

BRANCH CHIEF
Title

cc:

ABW/CE/CEP

HQ XXXX/XX (MAJCOM POC Name)

AGENT/XXX (Agent POC Name)

AF/A4CF (Air Staff POC Name)

AFIMSC/FMAG (FMAG POC Name)

Attachments:

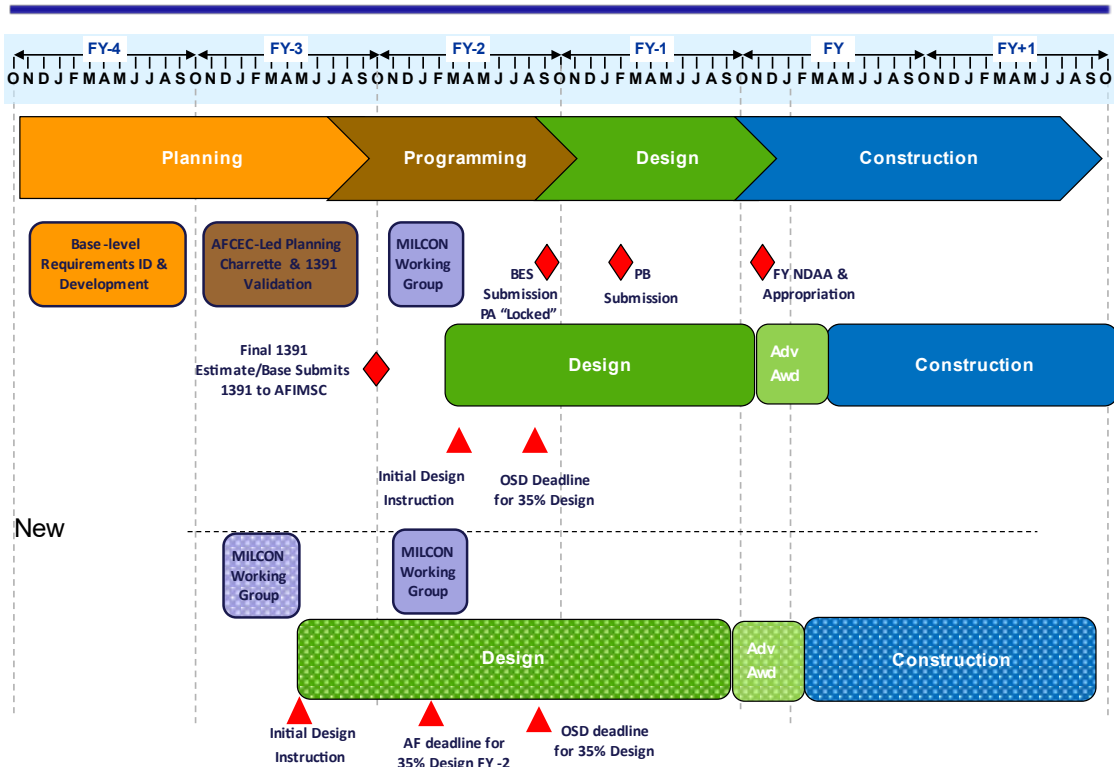
1. AF Form DD1391
2. Planning Charrette Report Template

APPENDIX 4

MILCON PROCESS



MILCON Process



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