Subject: Construction Modification Reason Codes in RMS (Resident Management System)

Applicability: Guidance

1. Reference ER 415-1-16, 30 Sept 93, Construction Fiscal Management.

2. The purpose of this bulletin is to clarify coding of construction contract changes and modifications to facilitate one time entry and standardize procedures for entry into RMS throughout the Corps of Engineers.

3. REVISIONS. The following major revisions have occurred since issuance of previous guidance:
   a. Code Q- Variations in Estimated Quantities has been changed from controllable to uncontrollable.
   b. Code 6 - Miscellaneous Changes categories a, b, c, and etc. have been combined into one general category.
   c. Code 1- Engineering Changes do not necessarily indicate a Design Deficiency. RMS will now include a check box to indicate possible A/E responsibility. This check box may be used in the future to sort through the RMS database for items of this nature.

4. MODIFICATION CHANGE REASON CODES: A code is required to indicate the justification, explanation, and/or necessity for issuance of a planning, design or construction change request. Modifications may include numerous change requests and sub-items for these change requests. Within the Basic Change Document (BCD) each individual change request must use the same reason code. When change requests are combined in a final modification they may contain different reason codes. Codes apply to Design-Build contracts in the same manner they apply to other types of contracts. Valid codes are:

   1 – ENGINEERING CHANGES – Changes, accountable to the U.S. Army Corps of Engineers, which are necessary to remedy deficiencies in the contract plans and specifications (refer to “Changes” Clause – FAR 52.243-4. (Controllable)
   4 – USER CHANGES, DISCRETIONARY - Changes resulting from conditions differing from the original design, e.g. new federal regulation, code, criteria, mission changes, or enhancement. These changes must be directed by a government agency, using/programming command/service, or customer and generally relate to ease of maintainability, operability, or an enhancement of quality of life for the user (soldier). Reference FAR 52.243-4. (Uncontrollable)
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5 – CONTRACT OPTIONS – Exercised with construction funds after award of the basic contract. The option must be specifically identified in the original Bid Documents. Reference FAR 52.217-7 (Not recorded as either Controllable or Uncontrollable)

6 – MISCELLANEOUS CHANGES – Changes resulting from various reasons such as changes in tax as a result of tax law changes, decrease in inspections, decreases because of inaccurate price or description furnished by the contractor etc. Reference FAR 52.214-27 (Uncontrollable)

7 – DIFFERING SITE CONDITIONS – Subsurface or latent physical conditions at the site which differ materially from those indicated in the contract or unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract and not identified through a normal engineering site investigation. Reference FAR 52.236-2 (Uncontrollable)

8 - VALUE ENGINEERING CHANGE - Change that results in reducing the contract price or estimated cost without impairing essential functions or characteristics. Reference FAR 52.248-3 (Controllable)

9 – ADMINISTRATIVE CHANGE - Change that does not affect the substantive rights of the parties (e.g., a change in the paying office, appropriation data, contractor address change, funding change such as continuing authority civil contracts, etc.). The change MUST be for no cost to the contract price and no time extension. Reference FAR 43.101. (Not recorded as either Controllable or Uncontrollable)

E – EXCUSABLE DELAY FOR NO FAULT – Change in contract period for weather (including floods), strikes, fires, epidemics, freight embargoes, material or supply shortages, delays of subcontractors or suppliers, and other events which are determined to be beyond the control and without the fault or negligence of both the contractor and the subcontractors or suppliers. Change involves time only, no contract cost. Reference FAR 52.249-10 (Uncontrollable)

G – GOVERNMENT FURNISHED PROPERTY (GFP) – Corrections in deficiencies in equipment or property supplied by the Government including delays by the Government in providing the GFP. Reference FAR 52.245-2 and 52.245-4 (Controllable)

Q – VARIATIONS IN ESTIMATED QUANTITIES - Overruns and underruns of quantities included in the contract. The quantities MUST be listed as Contract Line Items and entered as such in RMS. Reference FAR 52.212-11 (Uncontrollable)

S – SUSPENSIONS OR TERMINATION OF WORK – Temporary work stoppage on all or part of a contract with the intent of restarting work at a later date (Suspensions). Reference FAR 52.242-14. (Controllable)

T – TERMINATION OF WORK- Permanent work stoppage on all or part of a contract by deleting a portion of the scope from the contract requirements. Reference FAR 52.249-2 (Controllable)

V – CONSTRUCTION CHANGES - Changes not falling into one of the other reason codes. The reason for selecting this code MUST be provided in the Necessity for Change block of the BCD. Reference FAR 52.242-4 (Controllable)

6. HQUSACE point of contact for this ECB is Brad James, CECW-ET-C, 202-761-5541.
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DWIGHT BERANEK, P.E.
Chief Engineering and Construction Division
Directorate of Civil Works