



**US Army Corps
of Engineers®**

ENGINEERING AND CONSTRUCTION BULLETIN

No. 2005-9 Issuing Office: CEMP-I/CECW-CE-E Issued: 12 August 2005

Subject: MILCON Program After Action Review (AAR) & Areas of Improvement

Applicability: Guidance

1. An FY04 MILCON AAR revealed that unawarded projects had issues ranging from incomplete NEPA (National Environmental Policy Act), user requested changes in requirements/scope, lack of required waivers/approvals, high bids due to changing market conditions, and under programmed projects. While we work with our customers to address systemic problems, we are reiterating the following procedures that will improve our own internal business process and performance. These are:

a. Mandatory Scope and Cost Validation for Un-reviewed Projects After Congressional Approval of MILCON Budget. Projects that did not progress thru the standard Parametric Design Review/ENG 3086 Cost Estimate validation process before inclusion in Budget Book, such as Congressional Inserts, projects programmed by the Air Force and other DoD customers, must receive a “sanity check” on the project scope and cost by the District as soon as a Design Code 6, 7 or other equivalent is issued. District Project Delivery Team (PDT) should identify problems early on, and promptly notify HQUSACE MILCON RIT PM if they determine that the project cannot be awarded within the DD1391 programmed amount (PA) or has significant scope issue, without waiting until 95% cost estimate (Current Working Estimates, CWE) completion.

b. Pre-award Cost Increase. The MILCON project scope and cost as indicated in the Congressional DD1391 have a statutory basis upon approval by Congress. The PDT should be sensitive to our customer needs and desires, however, the Project Manager (PM) should advise and confer with customers/users during final design and/or design-build requests-for-proposal (RFP) development if project requirements or construction market volatility result in exceeding the approved PA. Options or additives must be identified early during the design or RFP development process as risk mitigating cost measures. For Army MILCON projects, options/additives must be approved by the Installation Management Agency (IMA) regional directorate, installation, and user prior to solicitation. The appropriate users' MACOM must also approve options/additives for non-base operation projects. Authority to advertise Military Construction, Army (MCA) projects over the PA requires DAIM-FDC approval. Due to the extreme shortage of available funds in the Army Family Housing Construction (AFHC) program, base bid packages must be developed at 90 percent of scope with a CWE, including 5 percent contingencies, of not more than 95 percent of PA. All packages must be reviewed and approved by DAIM-FDH IAW CEMP-II memorandum, Subject: Procedures for Execution of Army Family Housing Construction (AFHC) Projects, dated 18 Nov 2004 prior to advertising. For Air Force projects, options/additives must be approved by the MAJCOM. Authority to advertise AF projects above 110 percent requires HQ,USAF ILECM Branch Chief approval. For DoD projects, options/additives must be approved by the customer.


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c. New Performance Metric. A new performance metric for USACE Command Management Review (CMR) and Director of Military Programs Management Review (DMR) will be introduced to encourage prompt reporting of construction award cost data into the Historical Analysis Generator (HAG) database. In accordance with the ER 1110-3-1300, Military Programs Cost Engineering, and ECB 2005-6, Subject: Submittal of Construction Award Data via the Historical Analysis Generator, the PDT is required to submit award cost data into the HAG database within 30 days from the date of construction contract award. The Project Management Plan (PMP) will identify the name of the PDT member responsible for submitting the award cost data.

d. Integrity of Cost Estimates. Districts should provide adequate resources and promote an environment where project cost engineers can express independent cost opinions and present estimates without undue external influence. Quality and integrity of cost estimates should not be compromised to meet unrealistic deadlines or other constraints.

2. Points of Contact for this bulletin are Ami Ghosh, CECW-CE-D, 202-761-7503 and Jane Smith, CEMP-II, 202-761-5771.



DONALD L. BASHAM, P.E.
Chief, Engineering and Construction Division
Directorate of Civil Works



J. JOSEPH TYLER, P.E.
Chief, Programs Management Division
Directorate of Military Programs