



**US Army Corps
of Engineers®**

ENGINEERING AND CONSTRUCTION BULLETIN

No. 2007-11

Issuing Office: CECW-CE

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Subject: Consistent and Uniform S&A and DDC Charging Practices on Design-Build Projects Funded From Appropriations Subject to Flat Rate Procedures (e.g. MILCON, O&M)

Applicability: Directive

1. References

- a. ER No. 1110-1-12 dated 21 July 2006, Engineering and Design Quality Management
- b. UFC 1-300-07A dated 01 March 2005, Design Build Technical Requirements
- c. CEMP-M/CERM-P Memorandum dated 26 March 2003, Clarification of USACE Policy on Planning and Design (P&D), Construction Supervision and Administration (S&A) and Post Award Engineering and Design Services (DDC)
- d. Draft ER No. 415-1-16 Fiscal Management of Construction dated 16 September 1999

2. Purpose: The purpose of this ECB is to insure consistent and uniform S&A and DDC charging practices after the award of design-build (D-B) contracts funded from appropriations subject to the flat rate procedures defined in Reference 1.d. This ECB is intended to clarify existing policy and is not intended to supersede any existing policy. ER 415-1-16 is currently being revised and will be consistent with this directive.

3. Background: Reference 1.c. clarified USACE policy on Planning and Design (P&D), Construction Supervision and Administration (S&A) and Post-Award Design During Construction (DDC) Services. As we have transitioned to implementing more D-B execution strategies, our internal processes must change. During this transition period, there have been instances of misinterpretation of USACE D-B policy respecting the allocation of funding reasonably required to perform the unique post-award functions inherent in a D-B contract. This has resulted in inconsistent charging practices against the S&A and DDC accounts.

4. Although the contractor is ultimately responsible and liable for the integrity of the design, USACE must take a corporate approach to ensure the contractor prepared design documents accurately reflect the solicitation and accepted proposal. USACE must also ensure the completed project meets the customer's requirements.

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5. After award of a D-B contract, DDC will fund technical reviews of the contractor's design submittals. The reviews will be for general conformity with the design performance criteria and any prescriptive requirements. The design reviews will not be duplicative of the Designer of Record (DOR) responsibilities and as such will not include checking all design calculations, but will focus on quality assurance of the design. Technical reviews will essentially be conducted to insure code compliance and technical compliance with the solicitation and accepted proposal. Technical reviews of contractor's designs may include mandatory reviews by Technical Centers of Expertise and Centers of Standardization (CoS) when required by policy. Responding to contractor Requests for Information and similar requests relating to the interpretation or clarification of design intent or performance specifications in a solicitation prepared in-house will also be funded with DDC (when solicitation documents are prepared by a contracted A-E firm, the cost will be the responsibility of the A-E).

6. USACE is ultimately responsible to its customers for project success; therefore an appropriate balance must be achieved between the level of effort and the cost to the project to perform post-award design reviews and the benefits received. The goal is to balance the costs incurred and the risks avoided by performing effective and efficient design reviews to accomplish USACE's responsibility as the design and construction agent to ensure we acquire technically adequate facilities consistent with our fiduciary responsibility. USACE will determine the minimum level of effort and anticipated funding requirements for an appropriate allocation of DDC which must be included in the Project Management Plan well in advance of contract award. While we want our customer's input and concurrence respecting the level of effort and therefore the required DDC funding, ultimately it is USACE's decision as to what is minimally required. Reference 1.c. does not set a percentage of the construction contract amount threshold to fund these efforts.

7. These efforts must be charged to CEFMS work category code 2C002. All other DDC efforts identified in reference 1.c. paragraph 7 must be charged to CEFMS work category code 2C001.

8. The attached table lists typical post award activities and the required funding source.

9. Point of contact for this ECB is Paul Parsonault, CECW-CE, 202-761-5533.

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Enclosure

ACTIVITY	DDC	S&A
Post Award Conference		X
Prepare QA Plans		X
Partnering Conference		X
Train Contractor in QCS System		X
Review Safety Plan		X
Review Project Schedule		X
Review Schedule Updates		X
Review Construction QC Plan		X
Review Design QC Plan	X	
Review Environmental Protection Plan		X
Initial Design Conference	X	
Design Review Conferences	X	(note 1)
Coordination of Design Issues Among Contractor, COR, User, USACE Design Manager and PM	X	
Designs to Correct Errors and Omissions in RFP Criteria Prepared In-House (note 2)	X	
Set-up and Manage Dr. Checks Design Review Comments	X	
Design Reviews (Functional, Technical, Code Compliance) by Geographic District, CoS or the RFP A/E	X	
Pre-Construction Conference		X
Design related permit coordination among permitting agency, user, and contractor	X	(note 3)
Construction related permit coordination among permitting agency, user and contractor (note 4)		X
Process Progress Payments		X
Change Management		X
Designs for Contract Changes	X	
Cost Estimates for Contract Changes	X	
Preparation of RFP, PNM, POM and SF30's for Contract Modifications		X
Process/Manage Correspondence (note 5)		X
Filing, Logging, Mailing (note 5)		X
Review/Coordinate Temporary Site Layout Plans		X
Review/Coordinate Temporary Power Plans		X
Weekly Coordination Meeting (note 6)	X	X
Verify/Document Design related LEED Strategies	X	
Verify/Document Construction Phase LEED Strategies		X

Notes

1. Some charging to S&A may be appropriate consistent with the level of effort related to any construction issues addressed during these meetings.

2. Costs for designs to correct errors and omissions in RFP criteria prepared by A/E firms under contract to USACE may be the responsibility of the A/E and therefore may not be appropriately charged to DDC. Each USACE command will follow its written procedures implementing its AERMP in accordance with EP-715-1-7 to assess A/E liability.

3. The majority of permit activities should be S&A funded. There are a few, such as the storm water management permit activities required by many states that are unique to the design (require hydraulic and hydrologic calculations) that must be funded with DDC. Any permit that is a function of the design and a responsibility of the designer, yet requires input and tracking and submission by USACE must be funded with DDC funds.

4. Any construction related permit where USACE provides assistance to the construction contractor solely as a "permission" to start work is an S&A function, e.g. digging permits required by the installation.

5. Some of these costs may be more appropriately charged to CDO

6. Charging to DDC and S&A shall be proportional to the level of effort associated with design issues and construction issues respectively.