

DEPARTMENT OF THE ARMY
Corps of Engineers, Omaha District
215 North 17th Street
Omaha, Nebraska 62102-4978

CENWO-CD-CM
MEMORANDUM
No. 415-1-7

15 August 1999

Construction, Engineering, Planning, Programs & Project Management and Resource Management
INTERNAL PROCEDURES FOR PROCESSING INFORMATION FOR
DD FORM 1354, TRANSFER AND ACCEPTANCE OF MILITARY
REAL PROPERTY

History. This issue publishes a new memorandum for the Omaha District and replaces DM 415-1-7, 28 July 1995.

Summary. This memorandum outlines the Omaha District internal procedures for processing information for the transfer and acceptance of military real property.

1. Purpose. This District memorandum implements internal procedures for the identification and processing of pertinent information that is necessary to the preparation of the DD Form 1354, Transfer and Acceptance of Military Real Property.

2. Applicability. This memorandum applies to Construction, Engineering, Planning, Programs and Project Management and Resource Management Divisions.

3. References.

- a. ER 415-345-38, Transfer and Warranties, 31 January 1993.
- b. ER 5-1-11, Management – Programs and Project Management , 27 February 1998.
- c. AR 405-45, Inventory of Army Military Real Property, 15 April 1982.
- d. AR 415-15, Army Military Construction Program Development and Execution, 4 September 1998.
- e. AR 420-17, Real Property and Resource Management, 1 February 1977 (Change 1 dated 15 June 1980; Change 2 dated 1 July 1980).
- f. AR 415-28, Real Property Category Codes, 10 October 1996.

This memorandum supersedes DM 415-1-7 dated 28 July 1995.

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g. Army Audit Agency Report No. SR 94-481, 30 June 1994.

h. CENWO-CD-CM memorandum, Transfer of Military Real Property (DD Form 1354), 9 July 1998.

4. Responsibilities.

a. Planning, Programs and Project Management (PPPM) will:

(1) Set up a parent asset work item for all new design starts in CEFMS (Programs Branch action). This is to ensure that all appropriate design and construction costs can be tied together. The asset work item will be used as the parent, with two children work items, one for design and one for construction. Costs will be charged at a work item level no higher than the design and construction work items. Funds will be set aside to cover the preparation of the initial DD Form 1354.

(2) Receive an electronic notice of Construction contract award (Current Working Estimate information) in PPPM, Programs Branch. Programs Branch will provide information to PPPM, Military Branch, for design work item identification and any design percentage split criteria. Military Branch will forward the work item information to Cost Engineering and Technical Support Branch (CETSB), Military Estimating Section, and Construction Division, Contract Administration Branch, Contract Management Section. Also, Military Branch will identify a labor code utilizing **reserved** design funds for CETSB for the preparation of the DD Form 1354.

(3) Provide the initial DD Form 1354 to other districts when the Omaha District does design for them (Military Branch action).

(4) Receive copies of DD Form 1354s at each of the following steps: 1) Initial copy from CETSB; 2) signed final copy from Construction Division, Contract Administration Branch, Contract Management Section; and 3) second final from Resource Management, Finance and Accounting Branch.

(5) Forward the design work items for cancelled projects to Resource Management Division, Finance and Accounting Branch for their removal from Construction In Progress (CIP) costs. These projects are classified as breakage.

b. Engineering Division, Cost Engineering and Technical Support Branch, Military Estimating Section, will:

(1) Prepare the initial DD Form 1354 within three months after the award of a military construction (MILCON) contract according to references.

(2) Incorporate design work items and percentage of each design work item applicable to the construction contract on the initial DD Form 1354.

(3) Omaha District Design Costs:

(a) Construction within Omaha District. Distribute copies of initial DD Form 1354 to appropriate Construction field office; Contract Administration Branch, Contract Management Section; and Planning, Programs and Project Management , Military Branch.

(b) Construction outside Omaha District. Distribute copies of initial DD Form 1354 to Planning, Programs and Project Management , Military Branch, with actual design costs. Project Manager POC/phone number for the Omaha District design should be included on the initial DD Form 1354 to allow notification of completion and transfer of design costs by the construction district.

c. Construction Division, Contract Administration Branch, Contract Management Section, will:

(1) Notify Planning, Programs and Project Management Division, Programs Branch, of the award of the construction contract via automated e-mail. In addition, a contract award Current Working Estimate will be forwarded.

(2) Provide information upon request to the field offices on project costs to date for DD Form 1354 preparation at phased turnover/completion. CEFMS will be utilized to put a local indicator code on all work items, including design and construction or just construction, that have been set up for the contract. If the design was performed at another district, they will be contacted and requested to transfer design costs from their district (those design costs are annotated on the DD Form 1354). If Planning, Programs and Project Management has set up an asset work item, it can be used in place of the local indicator code. A Cost Ledger Report will be printed using the local indicator code or the asset work item (in the cost work item field) and will include actual costs to date for all design and construction work items associated with the contract. The information on the Cost Ledger Report can be sent to the field as the latest cost-to-date information.

(3) Prepare a line item closeout memorandum to Resource Management, Finance and Accounting Branch, when a construction contract is ready for fiscal closeout. All CEFMS construction work items to be closed will be listed on the memorandum along with its project title, location, and obligation number (contract number). A copy of the Construction Management System (CMS) Report for each construction contract identified for closing will be provided with the line item monthly closeout memorandum.

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d. Construction Division, respective area office or resident engineer, will:

(1) Request current costs to date on construction contract and design effort for incorporation into the DD form 1354 from Construction Division, Contract Administration Branch, Contract Management Section. The field-updated DD Form 1354 will include all design and construction work items. If designed by another district, only design costs, not work items, plus construction work items and costs are necessary. The DD Form 1354, including these work items and costs, is provided to the customer or installation at the time of facility turnover, usually at final inspection.

(2) Submit the original 1-Final or 1-Partial to the customer or installation for signature at final acceptance (reference 3.e.). A signed original, one Xerox signed copy, and one unsigned copy with no cost data of the DD Form 1354 are forwarded to Construction Division, Contract Administration Branch, Contract Administration Section. Included is a break down of work items designating design and construction costs. The DD Form 1354 sent to the customer or installation will still require a statement on it to the effect that "the costs shown are our best estimate of costs to date and the costs include both design and construction." If a signed copy is not received within 30 days of occupancy, an unsigned copy will be sent to the District followed by a signed copy when available.

e. Construction Division, Contract Administration Branch, Contract Administration Section, will:

(1) Log the receipt of the DD Form 1354 into the CWE notes field and via the Contract Management System (CMS).

(2) Forward all copies of the signed DD Form 1354 to Planning, Programs and Project Management (one copy made for Construction Division files) for project files or forwarding to Corps entities involved in financial tracking, e.g., Huntsville Division, via a cover memorandum (enclosure 1).

(3) After review and first endorsement signature by Planning, Programs and Project Management, original and unsigned copies are forwarded to Resource Management, Finance and Accounting, for processing and filing.

f. Resource Management, Finance and Accounting Branch, will:

(1) Reduce the CIP Account for the cost accounts and amounts (for design and construction) detailed on the interim 1-Final or 1-Partial DD Form 1354 that has been signed by the accepting customer. It is imperative that the interim CIP transfers be processed in a timely fashion in order to prevent overstatement of Department of Defense real property.

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(2) Maintain inactive files of DD Form 1354s until notification is made via a work item closeout memorandum from Construction, Contract Administration Branch, Contract Management Section, that all construction costing is complete on the contract.

(3) Decrease the CIP Account, upon notification of work item financial closeout, of any additional costs associated with the DD Form 1354 work items not previously transferred in f.(1) above. CEFMS work items should be identified on the DD Form 1354 on file for this purpose. If any discrepancies are found, Resource Management, Finance and Accounting Branch, will coordinate with Construction and Planning, Programs and Project Management Divisions. Additional costs not identified on the 1-Final or 1-Partial due to claims, late modifications, etc., should be added by Resource Management, Finance and Accounting Branch, on the 2-Final or "last" DD 1354.

(4) Prepare a final turnover letter for the customer or installation with the "last", typed update of the DD Form 1354 attached. Copies of the turnover letter and DD Form 1354 will be forwarded to Construction, Contract Administration Branch and Planning, Programs and Project Management .

FOR THE COMMANDER:

Encl

BRYAN S. VULCAN
LTC, EN
Deputy Commander

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